

**One Hundred Twentieth Annual Report**

of the

**State Corporation Commission**

of

Virginia

*For the Year Ending December 31, 2022*

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**GENERAL REPORT**

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## Letter of Transmittal

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### COMMONWEALTH OF VIRGINIA

#### STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 2022*

*To the Honorable Glenn A. Youngkin*

*Governor of Virginia*

Sir:

In accordance with § 12.1-4 of the Code of Virginia, I have the honor to transmit herewith the one hundred twentieth Annual Report of the State Corporation Commission as of December 31 of the preceding year, 2022.

Respectfully submitted,

Jehmal T. Hudson, Chairman

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# State Corporation Commission

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## COMMISSIONERS

Jehmal T. Hudson

Chairman

Judith Williams Jagdmann<sup>1</sup>

Commissioner

Angela L. Navarro<sup>2</sup>

Commissioner

Bernard J. Logan

*Clerk of the Commission*

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<sup>1</sup> Term ended December 31, 2022

<sup>2</sup> Term ended January 31, 2022





## Commissioners

The three initial Commissioners took office March 1, 1903. From 1903 to 1919 the Commissioners were appointed by the Governor subject to confirmation by the General Assembly. Between 1919 and 1926 they were elected by popular vote. Between 1926 and 1928 they were appointed by the Governor subject to confirmation by the General Assembly. Since 1928 they have been elected by the General Assembly.

The names and terms of office of the Commissioners:

		Years
Beverley T. Crump	March 1, 1903 to June 1, 1907	4
Henry C. Stuart	March 1, 1903 to February 28, 1908	5
Henry Fairfax	March 1, 1903 to October 1, 1905	3
Jos. E. Willard	October 1, 1905 to February 18, 1910	4
Robert R. Prentis	June 1, 1907 to November 17, 1916	9
Wm. F. Rhea	February 28, 1908 to November 15, 1925	18
J. R. Wingfield	February 18, 1910 to January 31, 1918	8
C. B. Garnett	November 17, 1916 to October 28, 1918	2
Alexander Forward	February 1, 1918 to December 5, 1923	5
Robert E. Williams	November 12, 1918 to July 1, 1919	1
(Temporary Appointment during absence of Forward on military service)		
S. L. Lupton	October 28, 1918 to June 1, 1919	1
Berkley D. Adams	June 12, 1919 to January 31, 1928	9
Oscar L. Shewmake	December 16, 1923 to November 24, 1924	1
H. Lester Hooker	November 25, 1924 to January 31, 1972	47
Louis S. Epes	November 16, 1925 to November 16, 1929	4
Wm. Meade Fletcher	February 1, 1928 to December 19, 1943	16
George C. Peery	November 29, 1929 to April 17, 1933	3
Thos. W. Ozlin	April 17, 1933 to July 14, 1944	11
Harvey B. Apperson	January 31, 1944 to October 5, 1947	4
Robert O. Norris	August 30, 1944 to November 20, 1944	
L. McCarthy Downs	December 16, 1944 to April 18, 1949	5
W. Marshall King	October 7, 1947 to June 24, 1957	10
Ralph T. Catterall	April 28, 1949 to January 31, 1973	24
Jesse W. Dillon	July 16, 1957 to January 28, 1972	14
Preston C. Shannon	March 10, 1972 to January 31, 1996	25
Junie L. Bradshaw	March 10, 1972 to January 31, 1985	13
Thomas P. Harwood, Jr.	February 20, 1973 to February 20, 1992	19
Elizabeth B. Lacy	April 1, 1985 to December 31, 1988	4
Theodore V. Morrison, Jr.	February 15, 1989 to December 31, 2007	19
Hullihen Williams Moore	February 26, 1992 to January 31, 2004	13
Clinton Miller	February 15, 1996 to January 31, 2006	11
James C. Dimitri	September 3, 2008 to February 28, 2018	10
Patricia L. West	March 1, 2019 to January 31, 2020	1
Mark C. Christie	February 1, 2004 to January 4, 2021	17
Judith Williams Jagdmann	February 1, 2006 to December 31, 2022	16
Angela L. Navarro	February 5, 2021 to January 31, 2022	1
Jehmal T. Hudson	July 6, 2020 to	

**From 1903 through 2022 the lines of succession were:**

	Years		Years		Years
Crump	4	Stuart	5	Fairfax	3
Prentis	9	Rhea	18	Willard	4
Garnett	2	Epes	4	Wingfield	8
Lupton	1	Peery	3	Forward	5
Adams	9	Ozlin	11	Williams	1
Fletcher	16	Norris	0	Shewmake	1
Apperson	4	Downs	5	Hooker	47
King	10	Catterall	24	Bradshaw	13
Dillon	14	Harwood	19	Lacy	4
Shannon	25	Moore	13	Morrison	19
Miller	11	Christie	17	Dimitri	10
Jagdmann	16	West	1	Hudson	3
Navarro	1				

## Preface

The State Corporation Commission is vested with regulatory authority over many businesses and economic interests in Virginia. These interests are as varied as the SCC's powers, which are derived from the Constitution of Virginia and state statutes. The SCC's authority ranges from setting rates charged by public utilities to serving as the central filing office in Virginia for corporate charters.

Established by the Virginia Constitution of 1902 to oversee the railroad and telephone and telegraph industries operating in the Commonwealth, the SCC's jurisdiction now includes supervision of many businesses that have a direct impact on Virginia consumers. The SCC is charged with administering the Virginia laws related to the regulation of public utilities, insurance, state-chartered financial institutions, investment securities, retail franchising, and utility and railroad safety. The SCC also is charged with establishing and administering the Virginia Health Benefit Exchange. In addition, the SCC is the state's central filing office for Uniform Commercial Code financing statements and for documents that create corporations, limited liability companies, business trusts, and limited partnerships.

The SCC's structure is unique. No other state has placed in a single agency such a broad array of regulatory responsibility. Created by the state constitution as a permanent department of government, the SCC possesses legislative, judicial, and administrative powers. The decisions of the SCC can be appealed only to the Supreme Court of Virginia.

**COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION**

**RULES OF PRACTICE AND PROCEDURE**

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**CHAPTER 20****STATE CORPORATION COMMISSION  
RULES OF PRACTICE AND PROCEDURE****PART I.****GENERAL PROVISIONS.***5 VAC 5-20-10. Applicability.*

The State Corporation Commission Rules of Practice and Procedure are promulgated pursuant to the authority of § 12.1-25 of the Code of Virginia and are applicable to the regulatory and adjudicatory proceedings of the State Corporation Commission except where superseded by more specific rules for particular types of cases or proceedings. When necessary to serve the ends of justice in a particular case, the commission may grant, upon motion or its own initiative, a waiver or modification of any of the provisions of these rules, except 5 VAC 5-20-220, under terms and conditions and to the extent it deems appropriate. These rules do not apply to the internal administration or organization of the commission in matters such as the procurement of goods and services, personnel actions, and similar issues, nor to matters that are being handled administratively by a division or bureau of the commission.

*5 VAC 5-20-20. Good faith pleading and practice.*

Every pleading, written motion, or other document presented for filing by a party represented by an attorney shall be signed by at least one attorney of record in the attorney's individual name, and the attorney's mailing address and telephone number, and where available, telefax number and email address, shall be stated. An individual not represented by an attorney shall sign the individual's pleading, motion, or other document, and shall state the individual's mailing address and telephone number. A partnership not represented by an attorney shall have a partner sign the partnership's pleading, motion, or other document, and shall state the partnership's mailing address and telephone number. A nonlawyer may only represent the interests of another before the commission in the presentation of facts, figures, or factual conclusions, as distinguished from legal arguments or conclusions. In the case of an individual or entity not represented by counsel, each signature shall be that of the individual or a qualified officer or agent of the entity. Documents signed pursuant to this rule need not be under oath unless so required by statute.

The commission allows electronic filing. Before filing electronically, the filer shall complete an electronic document filing authorization form, establish a filer authentication password with the Clerk of the State Corporation Commission and otherwise comply with the electronic filing procedures adopted by the commission. Upon establishment of a filer authentication password, a filer may make electronic filings in any case. All documents submitted electronically must be capable of being printed as paper documents without loss of content or appearance.

The signature of an attorney or party constitutes a certification that (i) the attorney or party has read the pleading, motion, or other document; (ii) to the best of the attorney's or party's knowledge, information, and belief formed after reasonable inquiry, the pleading, motion or other document is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and (iii) the pleading, motion or other document is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation. A pleading, written motion, or other document will not be accepted for filing by the Clerk of the Commission if it is not signed.

An oral motion made by an attorney or party in a commission proceeding constitutes a representation that the motion (i) is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and (ii) is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.

*5 VAC 5-20-30. Counsel.*

Except as otherwise provided in 5 VAC 5-20-20, no person other than a properly licensed attorney at law shall file pleadings or papers or appear at a hearing to represent the interests of another person or entity before the commission. An attorney admitted to practice in another jurisdiction, but not licensed in Virginia, may be permitted to appear in a particular proceeding pending before the commission in association with a member of the Virginia State Bar. The Virginia State Bar member will be counsel of record for every purpose related to the conduct and disposition of the proceeding.

In all appropriate proceedings before the Commission, the Division of Consumer Counsel, Office of the Attorney General, may appear and represent and be heard on behalf of consumers' interests, and investigate matters relating to such appearance, and otherwise may participate to the extent reasonably necessary to discharge its statutory duties.

*5 VAC 5-20-40. Photographs and broadcasting of proceedings.*

Electronic media and still photography coverage of commission hearings will be allowed at the discretion of the commission.

*5 VAC 5-20-50. Consultation by parties with commissioners and hearing examiners.*

No commissioner or hearing examiner shall consult with any party or any person acting on behalf of any party with respect to a pending formal proceeding without giving adequate notice and opportunity for all parties to participate.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

*5 VAC 5-20-60. Commission staff.*

The commissioners and hearing examiners shall be free at all times to confer with any member of the commission staff. However, no facts nor legal arguments likely to influence a pending formal proceeding and not of record in that proceeding shall be furnished ex parte to any commissioner or hearing examiner by any member of the commission staff.

*5 VAC 5-20-70. Informal complaints.*

All correspondence and informal complaints shall be referred to the appropriate division or bureau of the commission. The head of the division or bureau receiving this correspondence or complaint shall attempt to resolve the matter presented. Matters not resolved to the satisfaction of all participating parties by the informal process may be reviewed by the full commission upon the proper filing of a formal proceeding in accordance with the rules by any party to the informal process.

**PART II.****COMMENCEMENT OF FORMAL PROCEEDINGS.***5 VAC 5-20-80. Regulatory proceedings.*

A. Application. Except where otherwise provided by statute, rule or commission order, a person or entity seeking to engage in an industry or business subject to the commission's regulatory authority, or to make changes in any previously authorized service, rate, facility, or other aspect of such industry or business that, by statute or rule, must be approved by the commission, shall file an application requesting authority to do so. The application shall contain (i) a specific statement of the action sought; (ii) a statement of the facts that the applicant is prepared to prove that would warrant the action sought; (iii) a statement of the legal basis for such action; and (iv) any other information required by law or regulation. Any person or entity filing an application shall be a party to that proceeding.

B. Participation as a respondent. A notice of participation as a respondent is the proper initial response to an application. A notice of participation shall be filed within the time prescribed by the commission and shall contain (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 person or entity filing a notice of participation as a respondent shall be a party to that proceeding.

C. Public witnesses. Any person or entity not participating in a matter pursuant to subsection A or B of this section may make known their position in any regulatory proceeding by filing written comments in advance of the hearing if provided for by commission order or by attending the hearing, noting an appearance in the manner prescribed by the commission, and giving oral testimony. Public witnesses may not otherwise participate in the proceeding, be included in the service list, or be considered a party to the proceeding.

D. Commission staff. The commission staff may appear and participate in any proceeding in order to see that pertinent issues on behalf of the general public interest are clearly presented to the commission. The staff may, inter alia, conduct investigations and discovery, evaluate the issues raised, testify and offer exhibits, file briefs and make argument, and be subject to cross-examination when testifying. Neither the commission staff collectively nor any individual member of the commission staff shall be considered a party to the case for any purpose by virtue of participation in a proceeding.

*5 VAC 5-20-90. Adjudicatory proceedings.*

A. Initiation of proceedings. Investigative, disciplinary, penal, and other adjudicatory proceedings may be initiated by motion of the commission staff or upon the commission's own motion. Further proceedings shall be controlled by the issuance of a rule to show cause, which shall give notice to the defendant, state the allegations against the defendant, provide for a response from the defendant and, where appropriate, set the matter for hearing. A rule to show cause shall be served in the manner provided by § 12.1-19.1 or § 12.1-29 of the Code of Virginia. The commission staff shall prove the case by clear and convincing evidence.

B. Answer. An answer or other responsive pleading shall be filed within 21 days of service of the rule to show cause, unless the commission shall order otherwise. The answer shall state, in narrative form, each defendant's responses to the allegations in the rule to show cause and any affirmative defenses asserted by the defendant. Failure to file a timely answer or other responsive pleading may result in the entry of judgment by default against the party failing to respond.

*5 VAC 5-20-100. Other proceedings.*

A. Promulgation of general orders, rules, or regulations. Before promulgating a general order, rule, or regulation, the commission shall, by order upon an application or upon its own motion, require reasonable notice of the contents of the proposed general order, rule, or regulation, including publication in the Virginia Register of Regulations, and afford interested persons an opportunity to comment, present evidence, and be heard. A copy of each general order, rule, and regulation adopted in final form by the commission shall be filed with the Registrar of Regulations for publication in the Virginia Register of Regulations.

B. Petitions in other matters. Persons having a cause before the commission, whether by statute, rule, regulation, or otherwise, against a defendant, including the commission, a commission bureau, or a commission division, shall proceed by filing a written petition containing (i) the identity of the parties; (ii) a statement of the action sought and the legal basis for the commission's jurisdiction to take the action sought; (iii) a statement of the facts, proof of which would warrant the action sought; (iv) a statement of the legal basis for the action; and (v) a certificate showing service upon the defendant.

Within 21 days of service of a petition under this rule, the defendant shall file an answer or other responsive pleading containing, in narrative form, (i) a response to each allegation of the petition and (ii) a statement of each affirmative defense asserted by the defendant. Failure to file a timely answer may result in entry of judgment by default against the defendant failing to respond. Upon order of the commission, the commission staff may participate in any proceeding under this rule in which it is not a defendant to the same extent as permitted by 5 VAC 5-20-80 D.

C. Declaratory judgments. Persons having no other adequate remedy may petition the commission for a declaratory judgment. The petition shall meet the requirements of subsection B of this section and, in addition, contain a statement of the basis for concluding that an actual controversy exists. In the proceeding, the commission shall by order provide for the necessary notice, responsive pleadings, and participation by interested parties and the commission staff.

### PART III.

#### PROCEDURES IN FORMAL PROCEEDINGS.

5 VAC 5-20-110. *Motions.* Motions may be filed for the same purposes recognized by the courts of record in the Commonwealth. Unless otherwise ordered by the commission, any response to a motion must be filed within 14 days of the filing of the motion, and any reply by the moving party must be filed within ten days of the filing of the response.

5 VAC 5-20-120. *Procedure before hearing examiners.*

A. Assignment. The commission may, by order, assign a matter pending before it to a hearing examiner. Unless otherwise ordered, the hearing examiner shall conduct all further proceedings in the matter on behalf of the commission in accordance with these rules. In the discharge of his duties, the hearing examiner shall exercise all the adjudicatory powers possessed by the commission including, inter alia, the power to administer oaths; require the attendance of witnesses and parties; require the production of documents; schedule and conduct pre-hearing conferences; admit or exclude evidence; grant or deny continuances; and rule on motions, matters of law, and procedural questions. The hearing examiner shall, upon conclusion of all assigned duties, issue a written final report and recommendation to the commission at the conclusion of the proceedings.

B. Objections and certification of issues. An objection to a ruling by the hearing examiner during a hearing shall be stated with the reasons therefor at the time of the ruling. Any objection to a hearing examiner's ruling may be argued to the commission as part of a response to the hearing examiner's report. A ruling by the hearing examiner that denies further participation by a party in interest or the commission staff in a proceeding that has not been concluded may be immediately appealed to the commission by filing a written motion with the commission for review. Upon the motion of any party or the staff, or upon the hearing examiner's own initiative, the hearing examiner may certify any other material issue to the commission for its consideration and resolution. Pending resolution by the commission of a ruling appealed or certified, the hearing examiner shall retain procedural control of the proceeding.

C. Responses to hearing examiner reports. Unless otherwise ordered by the hearing examiner, responses supporting or objecting to the hearing examiner's final report must be filed within 21 days of the issuance of the report. A reply to a response to the hearing examiner's report may only be filed with leave of the commission. The commission may accept, modify, or reject the hearing examiner's recommendations in any manner consistent with law and the evidence, notwithstanding an absence of objections to the hearing examiner's report.

5 VAC 5-20-130. *Amendment of pleadings.*

No amendment shall be made to any pleading after it is filed except by leave of the commission, which leave shall be liberally granted in the furtherance of justice. The commission shall make such provision for notice and for opportunity to respond to the amended pleadings as it may deem necessary and proper.

5 VAC 5-20-140. *Filing and service.*

A pleading or other document shall be considered filed with the commission upon receipt of the original and required copies by the Clerk of the Commission no later than the time established for the closing of business of the clerk's office on the day the item is due. The original and copies shall be stamped by the Clerk to show the time and date of receipt.

Electronic filings may be submitted at any time and will be deemed filed on the date and at the time the electronic document is received by the commission's database; provided, that if a document is received when the clerk's office is not open for public business, the document shall be deemed filed on the next regular business day. A filer will receive an electronic notification identifying the date and time the document was received by the commission's database. An electronic document may be rejected if it is not submitted in compliance with these rules.

When a filing would otherwise be due on a day when the clerk's office is not open for public business during all or part of a business day, the filing will be timely if made on the next regular business day that the office is open to the public. Except as otherwise ordered by the commission, when a period of 15 days or fewer is permitted to make a filing or take other action pursuant to commission rule or order, intervening weekends or holidays shall not be counted in determining the due date.



*ANNUAL REPORT OF THE STATE CORPORATION COMMISSION*

Service of a pleading, brief, or other document filed with the commission required to be served on the parties to a proceeding or upon the commission staff, shall be effected by delivery of a true copy to the party or staff, or by deposit of a true copy into the United States mail or overnight express mail delivery service properly addressed and postage prepaid, or via hand-delivery, on or before the date of filing. Service on a party may be made by service on the party's counsel. Alternatively, electronic service shall be permitted on parties or staff in cases where all parties and staff have agreed to such service, or where the commission has provided for such service by order. At the foot of a formal pleading, brief, or other document required to be served, the party making service shall append a certificate of counsel of record that copies were mailed or delivered as required. Notices, findings of fact, opinions, decisions, orders, or other documents to be served by the commission may be served by United States mail. However, all writs, processes, and orders of the commission, when acting in conformity with § 12.1-27 of the Code of Virginia, shall be attested by the Clerk of the Commission and served in compliance with § 12.1-19.1 or 12.1-29 of the Code of Virginia.

*5 VAC 5-20-150. Copies and format.*

Applications, petitions, motions, responsive pleadings, briefs, and other documents filed by parties must be filed in an original and 15 copies unless otherwise directed by the commission. Except as otherwise stated in these rules, submissions filed electronically are exempt from the copy requirement. One copy of each responsive pleading or brief must be served on each party and the commission staff counsel assigned to the matter, or, if no counsel has been assigned, on the general counsel.

Each document must be filed on standard size white opaque paper, 8-1/2 by 11 inches in dimension, must be capable of being reproduced in copies of archival quality, and only one side of the paper may be used. Submissions filed electronically shall be made in portable document format (PDF).

Each document shall be bound or attached on the left side and contain adequate margins. Each page following the first page shall be numbered. If necessary, a document may be filed in consecutively numbered volumes, each of which may not exceed three inches in thickness. Submissions filed electronically may not exceed 100 pages of printed text of 8-1/2 by 11 inches.

Each document containing more than one exhibit should have dividers separating each exhibit and should contain an index. Exhibits such as maps, plats, and photographs not easily reduced to standard size may be filed in a different size, as necessary. Submissions filed electronically that otherwise would incorporate large exhibits impractical for conversion to electronic format shall be identified in the filing and include a statement that the exhibit was filed in hardcopy and is available for viewing at the commission or that a copy may be obtained from the filing party. Such exhibit shall be filed in an original and 15 copies.

All filed documents shall be fully collated and assembled into complete and proper sets ready for distribution and use, without the need for further assembly, sorting, or rearrangement.

The Clerk of the Commission may reject the filing of any document not conforming to the requirements of this rule.

*5 VAC 5-20-160. Memorandum of completeness.*

With respect to the filing of a rate application or an application seeking actions, that by statute or rule must be completed within a certain number of days, a memorandum shall be filed by an appropriate member of the commission staff within ten days of the filing of the application stating whether all necessary requirements imposed by statute or rule for filing the application have been met and all required information has been filed. If the requirements have not been met, the memorandum shall state with specificity the remaining items to be filed. The Clerk of the Commission immediately shall serve a copy of the memorandum on the filing party. The first day of the period within which action on the application must be concluded shall be set forth in the memorandum and shall be the initial date of filing of applications that are found to be complete upon filing. Applications found to require supplementation shall be complete upon the date of filing of the last item identified in the staff memorandum. Applications shall be deemed complete upon filing if the memorandum of completeness is not timely filed.

*5 VAC 5-20-170. Confidential information.*

A person who proposes in good faith in a formal proceeding that information to be filed with or delivered to the commission be withheld from public disclosure on the ground that it contains trade secrets, privileged, or confidential commercial or financial information shall file this information under seal with the Clerk of the Commission, or otherwise deliver the information under seal to the commission staff, or both, as may be required. Items filed or delivered under seal shall be securely sealed in an opaque container that is clearly labeled "UNDER SEAL," and, if filed, shall meet the other requirements for filing contained in these rules. An original and 15 copies of all such information shall be filed with the clerk. One additional copy of all such information shall also be delivered under seal to the commission staff counsel assigned to the matter, or, where no counsel has been assigned, to the general counsel who, until ordered otherwise by the commission, shall disclose the information only to the members of the commission staff directly assigned to the matter as necessary in the discharge of their duties. Staff counsel and all members of the commission staff, until otherwise ordered by the commission, shall maintain the information in strict confidence and shall not disclose its contents to members of the public, or to other staff members not assigned to the matter. The commission staff or any party may object to the proposed withholding of the information.

When an application (including supporting documents and prefiled testimony) contains information that the applicant claims to be confidential, the filing shall be made under seal and accompanied by a motion for protective order or other confidential treatment. The provision to a party of information claimed to be trade secrets, privileged, or confidential commercial or financial information shall be governed by a protective order or other individual arrangements for confidential treatment.

On every document filed or delivered under seal, the producing party shall mark each individual page of the document that contains confidential information, and on each such page shall clearly indicate the specific information requested to be treated as confidential by use of highlighting, underscoring, bracketing or other appropriate marking. All remaining materials on each page of the document shall be treated as nonconfidential and available for public use and review. If an entire document is confidential, or if all information provided in electronic format under Part IV of these rules is confidential, a marking prominently displayed on the first page of such document or at the beginning of any information provided in electronic format, indicating that the entire document is confidential shall suffice.

Upon challenge, the information shall be treated as confidential pursuant to these rules only where the party requesting confidential treatment can demonstrate to the satisfaction of the commission that the risk of harm of publicly disclosing the information outweighs the presumption in favor of public disclosure. If the commission determines that the information should be withheld from public disclosure, it may nevertheless require the information to be disclosed to parties to a proceeding under appropriate protective order.

Whenever a document is filed with the clerk under seal, an original and one copy of an expurgated or redacted version of the document deemed by the filing party or determined by the commission to be confidential shall be filed with the clerk for use and review by the public. A document containing confidential information shall not be submitted electronically. An expurgated or redacted version of the document may be filed electronically. Documents containing confidential information must be filed in hardcopy and in accordance with all requirements of these rules. Upon a determination by the commission or a hearing examiner that all or portions of any materials filed under seal are not entitled to confidential treatment, the filing party shall file one original and one copy of the expurgated or redacted version of the document reflecting the ruling.

When the information at issue is not required to be filed or made a part of the record, a party who wishes to withhold confidential information from filing or production may move the commission for a protective order without filing the materials. In considering such a motion, the commission may require production of the confidential materials for inspection in camera, if necessary.

A party may request additional protection for extraordinarily sensitive information by motion filed pursuant to 5 VAC 5-20-110, and filing the information with the Clerk of the Commission under seal and delivering a copy of the information to commission staff counsel under seal as directed above. Whenever such treatment has been requested under Part IV of these rules, the commission may make such orders as necessary to permit parties to challenge the requested additional protection.

The commission, hearing examiners, any party and the commission staff may make use of confidential material in orders, filing pleadings, testimony, or other documents, as directed by order of the commission. When a party or commission staff uses confidential material in a filed pleading, testimony, or other document, the party or commission staff must file both confidential and nonconfidential versions of the pleading, testimony, or other document. Confidential versions of filed pleadings, testimony, or other documents shall clearly indicate the confidential material contained within by highlighting, underscoring, bracketing or other appropriate marking. When filing confidential pleadings, testimony, or other documents, parties must submit the confidential version to the Clerk of the Commission securely sealed in an opaque container that is clearly labeled "UNDER SEAL." Nonconfidential versions of filed pleadings, testimony, or other documents shall expurgate, redact, or otherwise omit all references to confidential material.

The commission may issue such order as it deems necessary to prevent the use of confidentiality claims for the purpose of delay or obstruction of the proceeding.

A person who proposes in good faith that information to be delivered to the commission staff outside of a formal proceeding be withheld from public disclosure on the ground that it contains trade secrets, privileged, or confidential commercial or financial information may deliver the information under seal to the commission staff, subject to the same protections afforded confidential information in formal proceedings.

*5 VAC 5-20-180. Official transcript of hearing.*

The official transcript of a hearing before the commission or a hearing examiner shall be that prepared by the court reporters retained by the commission and certified by the court reporter as a true and correct transcript of the proceeding. Transcripts of proceedings shall not be prepared except in cases assigned to a hearing examiner, when directed by the commission, or when requested by a party desiring to purchase a copy. Parties desiring to purchase copies of the transcript shall make arrangement for purchase with the court reporter. When a transcript is prepared, a copy thereof shall be made available for public inspection in the clerk's office. If the transcript includes confidential information, an expurgated or redacted version of the transcript shall be made available for public inspection in the clerk's office. Only the parties who have executed an agreement to adhere to a protective order or other arrangement for access to confidential treatment in such proceeding and the commission staff shall be entitled to access to an unexpurgated or unredacted version of the transcript. By agreement of the parties, or as the commission may by order provide, corrections may be made to the transcript.

*5 VAC 5-20-190. Rules of evidence.*

In proceedings under 5 VAC 5-20-90, and all other proceedings in which the commission shall be called upon to decide or render judgment only in its capacity as a court of record, the common law and statutory rules of evidence shall be as observed and administered by the courts of record of the Commonwealth. In other proceedings, evidentiary rules shall not be unreasonably used to prevent the receipt of evidence having substantial probative effect.

*5 VAC 5-20-200. Briefs.*

Written briefs may be authorized at the discretion of the commission, except in proceedings under 5 VAC 5-20-100 A, where briefs may be filed by right. The time for filing briefs and reply briefs, if authorized, shall be set at the time they are authorized. The commission may limit the length of a brief. The commission may by order provide for the electronic filing or service of briefs.

*5 VAC 5-20-210. Oral argument.*

The commission may authorize oral argument, limited as the commission may direct, on any pertinent matter at any time during the course of the proceeding.

*5 VAC 5-20-220. Petition for rehearing or reconsideration.*

Final judgments, orders, and decrees of the commission, except judgments prescribed by § 12.1-36 of the Code of Virginia, and except as provided in §§ 13.1-614 and 13.1-813 of the Code of Virginia, shall remain under the control of the commission and subject to modification or vacation for 21 days after the date of entry. Except for good cause shown, a petition for rehearing or reconsideration must be filed not later than 20 days after the date of entry of the judgment, order, or decree. The filing of a petition will not suspend the execution of the judgment, order, or decree, nor extend the time for taking an

appeal, unless the commission, within the 21-day period following entry of the final judgment, order or decree, shall provide for a suspension in an order or decree granting the petition. A petition for rehearing or reconsideration must be served on all parties and delivered to commission staff counsel on or before the day on which it is filed. The commission will not entertain responses to, or requests for oral argument on, a petition. An order granting a rehearing or reconsideration will be served on all parties and commission staff counsel by the Clerk of the Commission.

*5 VAC 5-20-230. Extension of time.*

The commission may, at its discretion, grant a continuance, postponement, or extension of time for the filing of a document or the taking of an action required or permitted by these rules, except for petitions for rehearing or reconsideration filed pursuant to 5 VAC 5-20-220. Except for good cause shown, motions for extensions shall be made in writing, served on all parties and commission staff counsel, and filed with the commission at least three days prior to the date the action sought to be extended is due.

**PART IV.**

**DISCOVERY AND HEARING PREPARATION PROCEDURES.**

*5 VAC 5-20-240. Prepared testimony and exhibits.*

Following the filing of an application dependent upon complicated or technical proof, the commission may direct the applicant to prepare and file the testimony and exhibits by which the applicant expects to establish its case. In all proceedings in which an applicant is required to file testimony, respondents shall be permitted and may be directed by the commission or hearing examiner to file, on or before a date certain, testimony and exhibits by which they expect to establish their case. Any respondent that chooses not to file testimony and exhibits by that date may not thereafter present testimony or exhibits except by leave of the commission, but may otherwise fully participate in the proceeding and engage in cross-examination of the testimony and exhibits of commission staff and other parties. The commission staff also shall file testimony and exhibits when directed to do so by the commission. Failure to comply with the directions of the commission, without good cause shown, may result in rejection of the testimony and exhibits by the commission. With leave of the commission and unless a timely objection is made, the commission staff or a party may correct or supplement any prepared testimony and exhibits before or during the hearing. In all proceedings, all evidence must be verified by the witness before introduction into the record, and the admissibility of the evidence shall be subject to the same standards as if the testimony were offered orally at hearing, unless, with the consent of the commission, the staff and all parties stipulate the introduction of testimony without need for verification. An original and 15 copies of prepared testimony and exhibits shall be filed unless otherwise specified in the commission's scheduling order and public notice, or unless the testimony and exhibits are filed electronically and otherwise comply with these rules. Documents of unusual bulk or weight and physical exhibits other than documents need not be filed in advance, but shall be described and made available for pretrial examination.

*5 VAC 5-20-250. Process, witnesses, and production of documents and things.*

A. Subpoenas. Commission staff and any party to a proceeding shall be entitled to process, to convene parties, to compel the attendance of witnesses, and to compel the production of books, papers, documents, or things provided in this rule.

B. Commission issuance and enforcement of other regulatory agency subpoenas. Upon motion by commission staff counsel, the commission may issue and enforce subpoenas at the request of a regulatory agency of another jurisdiction if the activity for which the information is sought by the other agency, if occurring in the Commonwealth, would be a violation of the laws of the Commonwealth that are administered by the commission.

A motion requesting the issuance of a commission subpoena shall include:

1. A copy of the original subpoena issued by the regulatory agency to the named defendant;
2. An affidavit of the requesting agency administrator stating the basis for the issuance of the subpoena under that state's laws; and
3. A memorandum from the commission's corresponding division director providing the basis for the issuance of the commission subpoena.

C. Document subpoenas. In a pending proceeding, at the request of commission staff or any party, the Clerk of the Commission shall issue a subpoena. When a matter is under investigation by commission staff, before a formal proceeding has been established, whenever it appears to the commission by affidavit filed with the Clerk of the Commission by the commission staff or an individual, that a book, writing, document, or thing sufficiently described in the affidavit, is in the possession, or under the control, of an identified person and is material and proper to be produced, the commission may order the Clerk of the Commission to issue a subpoena and to have the subpoena duly served, together with an attested copy of the commission's order compelling production at a reasonable place and time as described in the commission's order.

D. Witness subpoenas. In a pending proceeding, at the request of commission staff or any party, the Clerk of the Commission shall issue a subpoena.

*5 VAC 5-20-260. Interrogatories or requests for production of documents and things.*

The commission staff and any party in a formal proceeding before the commission, other than a proceeding under 5VAC5-20-100 A, may serve written interrogatories or requests for production of documents upon a party, to be answered by the party served, or if the party served is an entity, by an officer or agent of the entity, who shall furnish to the staff or requesting party information as is known. Interrogatories or requests for production of documents, including workpapers pursuant to 5VAC5-20-270, that cannot be timely answered before the scheduled hearing date may be served only with leave of the commission for good cause shown and upon such conditions as the commission may prescribe. Such otherwise untimely interrogatories or requests for production of documents, including workpapers pursuant to 5VAC5-20-270, may not be served until such leave is granted. Interrogatories or requests for production of documents may be served upon a member of the commission staff, or an expert or consultant filing testimony on behalf of the commission staff,

in a proceeding under 5 VAC 5-20-80 to discover: (i) factual information that supports the workpapers submitted by the staff pursuant to 5VAC5-20-270, including electronic spreadsheets that include underlying formulas and assumptions; (ii) any other documents relied upon as a basis for recommendations or assertions in prefiled testimony, staff reports or exhibits filed by staff, or by an expert or consultant filing testimony on behalf of the staff; or (iii) the identity of other formal proceedings in which an expert or consultant filing testimony on behalf of the staff testified regarding the same or a substantially similar subject matter. The disclosure of communications within the commission shall not be required and, except for good cause shown, no interrogatories or requests for production of documents may be served upon a member of the commission staff, or an expert or consultant filing testimony on behalf of the staff, prior to the filing of staff's testimony. All interrogatories and requests for production of documents shall be filed with the Clerk of the Commission. Responses to interrogatories and requests for production of documents shall not be filed with the Clerk of the Commission.

The response to each interrogatory or document request shall identify by name the person making the response. Any objection to an interrogatory or document request shall identify the interrogatory or document request to which the objection is raised, and shall state with specificity the basis and supporting legal theory for the objection. Objections shall be served with the list of responses or in such manner as the commission may designate by order. Responses and objections to interrogatories or requests for production of documents shall be served within 10 days of receipt, unless otherwise ordered by the commission. Upon motion promptly made and accompanied by a copy of the interrogatory or document request and the response or objection that is subject to the motion, the commission will rule upon the validity of the objection; the objection otherwise will be considered sustained.

Interrogatories or requests for production of documents may relate to any matter not privileged, which is relevant to the subject matter involved, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things, and the identity and location of persons having knowledge of evidentiary value. It is not grounds for objection that the information sought will be inadmissible at the hearing if the information appears reasonably calculated to lead to the discovery of admissible evidence.

Where the response to an interrogatory or document request may only be derived or ascertained from the business records of the party questioned, from an examination, audit, or inspection of business records, or from a compilation, abstract, or summary of business records, and the burden of deriving or ascertaining the response is substantially the same for one entity as for the other, a response is sufficient if it (i) identifies by name and location all records from which the response may be derived or ascertained; and (ii) tenders to the inquiring party reasonable opportunity to examine, audit, or inspect the records subject to objection as to their proprietary or confidential nature. The inquiring party bears the expense of making copies, compilations, abstracts, or summaries.

*5 VAC 5-20-270. Hearing preparation.*

In a formal proceeding, a party or the commission staff may serve on a party a request to examine the workpapers supporting the testimony or exhibits of a witness whose prepared testimony has been filed in accordance with 5 VAC 5-20-240. The movant may request abstracts or summaries of the workpapers, and may request copies of the workpapers upon payment of the reasonable cost of duplication or reproduction. Copies requested by the commission staff shall be furnished without payment of copying costs. In actions pursuant to 5 VAC 5-20-80 A, the commission staff shall, upon the filing of its testimony, exhibits, or report, provide (in either paper or electronic format) a copy of any workpapers that support the recommendations made in its testimony or report to any party upon request and may additionally file a copy of such workpapers with the Clerk of the Commission. The Clerk of the Commission shall make any filed workpapers available for public inspection and copying during regular business hours.

*5 VAC 5-20-280. Discovery applicable only to 5 VAC 5-20-90 proceedings.*

This rule applies only to a proceeding in which a defendant is subject to a monetary penalty or injunction, or revocation, cancellation, or curtailment of a license, certificate of authority, registration, or similar authority previously issued by the commission to the defendant:

1. Discovery of material in possession of the commission staff. Upon written motion of the defendant, the commission shall permit the defendant to inspect and, at the defendant's expense, copy or photograph (exclusive of investigative notes): (i) any relevant written or recorded statements, the existence of which is known, after reasonable inquiry, by the commission staff counsel assigned to the matter to be within the custody, possession, or control of commission staff, made by (a) the defendant, or representatives or agents of the defendant if the defendant is other than an individual, or (b) any witness whom the commission staff intends, or does not intend, to call to testify at the hearing, to a commission staff member or law enforcement officer; (ii) designated books, tangible objects, papers, documents, or copies or portions thereof, that are within the custody, possession, or control of commission staff and that commission staff intends to introduce into evidence at the hearing or that the commission staff obtained for the purpose of the instant proceeding; and (iii) the list of the witnesses that commission staff intends to call to testify at the hearing. Upon good cause shown to protect the identity of persons not named as a defendant, the commission or hearing examiner may direct the commission staff to withhold disclosure of material requested under this rule. The term "statement" as used in relation to any witness (other than a defendant) described in clause (i) of this subdivision includes a written statement made by said witness and signed or otherwise adopted or approved by him, and verbatim transcriptions or recordings of a witness' statement that are made contemporaneously with the statement by the witness.

A motion by the defendant or staff under this rule shall be filed and served at least 30 days before the hearing date. The motion shall include all relief sought. A subsequent motion may be made only upon a showing of cause as to why the motion would be in the interest of justice. An order or ruling granting relief under this rule shall specify the time, place, and manner of making discovery and inspection permitted, and may prescribe such terms and conditions as the commission may determine.

Upon written motion of the commission staff, staff may also obtain the list of witnesses that the defendant intends to call to testify at the hearing, and inspect, copy, and photograph, at commission staff's expense, the evidence that the defendant intends to introduce into evidence at the hearing.

The commission staff and the defendant shall be required to produce the information described above as directed by the commission or hearing examiner, but not later than 10 days prior to the scheduled hearing; and the admission of any additional evidence not provided in accordance herewith shall not be denied solely on the basis that it was not produced timely, provided the additional evidence was produced to commission staff or the defendant as soon as practicable prior to the hearing, or prior to the introduction of such evidence at the hearing. The requirement to produce the information described in this section shall be in addition to any requirement by commission staff or the defendant to timely respond to an interrogatory or document request made pursuant to 5VAC5-20-260.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Nothing in this rule shall require the disclosure of any information, the disclosure of which is prohibited by statute or other legal privilege. The disclosure of the results of a commission staff investigation or work product of commission staff counsel shall not be required.

2. Depositions. After commencement of a proceeding to which this rule applies, the commission staff or a party may take the testimony of (i) a party, or (ii) a person not a party for good cause shown to the commission or hearing examiner, other than a member of the commission staff, by deposition on oral examination or by written questions. Depositions may be used for any purpose for which they may be used in the courts of record of the Commonwealth. Except where the commission or hearing examiner finds that an emergency exists, no deposition may be taken later than 10 days in advance of the formal hearing. The attendance of witnesses at depositions may be compelled by subpoena. Examination and cross-examination of the witness shall be as at hearing. Depositions may be taken in the City of Richmond or in the town, city, or county in which the deposed person resides, is employed, or does business. The parties and the commission staff, by agreement, may designate another place for the taking of the deposition. Reasonable notice of the intent to take a deposition must be given in writing to the commission staff counsel and to each party to the action, stating the time and place where the deposition is to be taken. A deposition may be taken before any person (the "officer") authorized to administer oaths by the laws of the jurisdiction in which the deposition is to be taken. The officer shall certify his authorization in writing, administer the oath to the deponent, record or cause to be recorded the testimony given, and note any objections raised. In lieu of participating in the oral examination, a party or the commission staff may deliver sealed written questions to the officer, who shall propound the questions to the witness. The officer may terminate the deposition if convinced that the examination is being conducted in bad faith or in an unreasonable manner. Costs of the deposition shall be borne by the party noticing the deposition, unless otherwise ordered by the commission.

3. Requests for admissions. The commission staff or a party to a proceeding may serve upon a party written requests for admission. Each matter on which an admission is requested shall be stated separately. A matter shall be deemed admitted unless within 21 days of the service of the request, or some other period the commission may designate, the party to whom the request is directed serves upon the requesting party a written answer addressing or objecting to the request. The response shall set forth in specific terms a denial of the matter set forth or an explanation as to the reasons the responding party cannot truthfully admit or deny the matter set forth. Requests for admission shall be filed with the Clerk of the Commission and simultaneously served on commission staff counsel and on all parties to the proceeding.

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 Adopted: September 1, 1974

Revised: May 1, 1985 by Case No. CLK850262

Revised: August 1, 1986 by Case No. CLK860572 and Repealed June 1, 2001 by Case No. CLK000311

Adopted: June 1, 2001 by Case No. CLK000311

Revised: January 15, 2008 by Case No. CLK-2007-00005

Revised: February 24, 2009 by Case No. CLK-2008-00002

Revised: August 9, 2011 by Case No. CLK-2011-00001

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**LEADING MATTERS DISPOSED OF BY FORMAL ORDERS****BUREAU OF FINANCIAL INSTITUTIONS****CASE NO. BAN20210104  
MARCH 3, 2022**APPLICATION OF  
PACIFIC DEBT, INC.

For a license to engage in business as a debt settlement services provider

**ORDER GRANTING A LICENSE**

Pacific Debt, Inc. ("Applicant"), a California corporation, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-2028 of the Code of Virginia ("Code"), for a license to engage in business as a debt settlement services provider from 750 B Street, Suite 1700, San Diego, California 92101. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions ("Commissioner"): (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 20.1 of Title 6.2 of the Code ("Chapter 20.1") for the issuance of a debt settlement services provider license; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 20.1 and should be approved.

Accordingly, IT IS ORDERED THAT the Application is APPROVED provided that: (i) the Applicant begins business within one (1) year from the date of this Order; and (ii) within twenty (20) days of beginning business, the Applicant gives written notice to the Bureau stating the date it began such business.

**CASE NO. BAN20210105  
MARCH 31, 2022**APPLICATION OF  
JGW DEBT SETTLEMENT, LLC, D/B/A J.G. WENTWORTH

For a license to engage in business as a debt settlement services provider

**ORDER GRANTING A LICENSE**

JGW Debt Settlement, LLC, d/b/a J.G. Wentworth ("Applicant"), a Nevada limited liability company, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-2028 of the Code of Virginia ("Code"), for a license to engage in business as a debt settlement services provider from 1200 Morris Drive, Suite 300, Chesterbrook, Pennsylvania 19087. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 20.1 of Title 6.2 of the Code ("Chapter 20.1") for the issuance of a debt settlement services provider license; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 20.1 and should be approved.

Accordingly, IT IS ORDERED THAT the Application is APPROVED provided that: (i) the Applicant begins business within one (1) year from the date of this Order; and (ii) within twenty (20) days of beginning business, the Applicant gives written notice to the Bureau stating the date it began such business.

**CASE NO. BAN20210112  
MARCH 18, 2022**APPLICATION OF  
GRT FINANCIAL, INC.

For a license to engage in business as a debt settlement services provider

**ORDER GRANTING A LICENSE**

GRT Financial, Inc. ("Applicant"), a Michigan corporation, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-2028 of the Code of Virginia ("Code"), for a license to engage in business as a debt settlement services provider from 26711 Northwestern Highway, Suite 375, Southfield, Michigan 48033. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 20.1 of Title 6.2 of the Code ("Chapter 20.1") for the issuance of a debt settlement services provider license; and

(iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 20.1 and should be approved.

Accordingly, IT IS ORDERED THAT the Application is APPROVED provided that: (i) the Applicant begins business within one (1) year from the date of this Order; and (ii) within twenty (20) days of beginning business, the Applicant gives written notice to the Bureau stating the date it began such business.

**CASE NO. BAN20210113  
SEPTEMBER 7, 2022**

APPLICATION OF  
CONSUMER DEBT HELP ASSOCIATION LLC

For a license to engage in business as a debt settlement services provider

**ORDER GRANTING A LICENSE**

Consumer Debt Help Association LLC ("Applicant"), a Florida limited liability company, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-2028 of the Code of Virginia ("Code"), for a license to engage in business as a debt settlement services provider from 516 N Dixie Highway, Lantana, Florida 33462. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 20.1 of Title 6.2 of the Code ("Chapter 20.1") for the issuance of a debt settlement services provider license; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 20.1 and should be approved.

Accordingly, IT IS ORDERED THAT the Application is APPROVED provided that: (i) the Applicant begins business within one (1) year from the date of this Order; and (ii) within twenty (20) days of beginning business, the Applicant gives written notice to the Bureau stating the date it began such business.

**CASE NO. BAN20210114  
JULY 7, 2022**

APPLICATION OF  
NATIONAL DEBT RELIEF LLC

For a license to engage in business as a debt settlement services provider

**ORDER GRANTING A LICENSE**

National Debt Relief LLC ("Applicant"), a New York limited liability company, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-2028 of the Code of Virginia ("Code"), for a license to engage in business as a debt settlement services provider from 180 Maiden Lane, 30<sup>th</sup> Floor, New York, New York 10038. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 20.1 of Title 6.2 of the Code ("Chapter 20.1") for the issuance of a debt settlement services provider license; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 20.1 and should be approved.

Accordingly, IT IS ORDERED THAT the Application is APPROVED provided that: (i) the Applicant begins business within one (1) year from the date of this Order; and (ii) within twenty (20) days of beginning business, the Applicant gives written notice to the Bureau stating the date it began such business.



**CASE NO. BAN20210182  
MARCH 28, 2022**

REQUEST BY  
HABITAT FOR HUMANITY, INC. OF THE NEW RIVER VALLEY

To be designated as a bona fide nonprofit organization

**ORDER GRANTING DESIGNATION**

Habitat for Humanity, Inc. of the New River Valley, a Virginia corporation, has submitted a request ("Request") to the State Corporation Commission ("Commission") for designation as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia ("Code") and 10 VAC 5-161-75 of the Commission's rules governing Mortgage Loan Originators, 10 VAC 5-161-10 *et seq.* ("Rules"). The Commission's Bureau of Financial Institutions ("Bureau") investigated the Request. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Request meets the criteria in § 6.2-1701.1 of the Code and Rule 10 VAC 5-161-75; and (iii) recommended that the Commission enter an order approving the Request.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Request meets the criteria in § 6.2-1701.1 of the Code and Rule 10 VAC 5-161-75 and should be approved.

Accordingly, IT IS ORDERED THAT the Request is APPROVED, and Habitat for Humanity, Inc. of the New River Valley is hereby designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code and the Commission's Rules.

**CASE NO. BAN20220004  
FEBRUARY 24, 2022**

APPLICATIONS OF  
LEE MERGER SUB, INC.,  
LEE BANK & TRUST COMPANY, and  
LEE BANKSHARES, INC.

CASE NUMBERS: BAN20220004  
BAN20220005  
BAN20220006

**ORDER REDUCING FEES**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that: (i) Lee Merger Sub, Inc., a proposed interim Virginia state-chartered bank, has filed an application with the Bureau of Financial Institutions ("Bureau") pursuant to § 6.2-816 of the Code of Virginia ("Code") for a certificate of authority to conduct a banking business, and the fee incident to such application is Ten Thousand Dollars (\$10,000); (ii) Lee Bank & Trust Company, a Virginia state-chartered bank, has filed an application with the Bureau pursuant to § 6.2-822 of the Code to merge into it Lee Merger Sub, Inc., and the fee incident to such application is Seven Thousand Five Hundred Dollars (\$7,500); and (iii) Lee Bankshares, Inc., a proposed Virginia financial institution holding company, has filed an application with the Bureau pursuant to § 6.2-704 A of the Code to acquire control of Lee Bank & Trust Company, and the fee incident to such application is Seven Thousand Dollars (\$7,000).

The Commissioner has also reported to the Commission that the total fees incident to the applications as prescribed by §§ 6.2-704 A and 6.2-908 B of the Code and the Commission's October 25, 1990 Administrative Order<sup>1</sup> and April 5, 2016 Clarifying Order<sup>2</sup> would be Twenty-Four Thousand Five Hundred Dollars (\$24,500); and that Lee Merger Sub, Inc., Lee Bank & Trust Company, and Lee Bankshares, Inc. have requested that the Commission reduce the total fees owed.

The Commissioner has recommended that the Commission reduce the total fees by Fourteen Thousand Five Hundred Dollars (\$14,500) pursuant to the Commission's authority under § 6.2-908 C of the Code. The Commissioner further reported to the Commission that the requested reduction in fees is reasonable because the proposed reorganization is essentially a single transaction. Moreover, the reduction in fees for these applications would not be detrimental to the Bureau's effectiveness. Accordingly, the Commissioner has recommended that the Commission grant the requested reduction in fees.

NOW THE COMMISSION, is of the opinion and concludes that a reasonable basis having been shown, and the Bureau having represented that the reduction in fees would not be detrimental to the effectiveness of the Bureau, the total fees payable by Lee Merger Sub, Inc., Lee Bank & Trust Company, and Lee Bankshares, Inc. in connection with the above-referenced applications is hereby reduced to Ten Thousand Dollars (\$10,000). Notwithstanding this reduction, the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order shall remain in full force and effect.

Commissioner Patricia L. West participated in this matter.

Commissioner Judith Williams Jagdmann did not participate in this matter.

<sup>1</sup> *Relating to fees to be charged in connection with certain applications.* Case No. BFI-1990-00386, Administrative Order (October 25, 1990).

<sup>2</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In re: fees to be charged in connection with certain applications.* Case No. BFI-2016-00013, Clarifying Order (April 5, 2016).

**CASE NO. BAN20220004  
MARCH 30, 2022**

APPLICATION OF  
LEE MERGER SUB, INC.

For a certificate of authority to begin business as a bank from 41371 West Morgan Avenue, Pennington Gap, Lee County, Virginia

**ORDER GRANTING AUTHORITY**

Lee Merger Sub, Inc. ("Applicant"), a Virginia corporation, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-816 of the Code of Virginia ("Code"), for a certificate of authority to begin business as a Virginia state-chartered bank from 41371 West Morgan Avenue, Pennington Gap, Lee County, Virginia. The Commission's approval of the Application would facilitate the merger of the Applicant into Lee Bank & Trust Company, a Virginia state-chartered bank. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 8 of Title 6.2 of the Code ("Chapter 8") for a certificate of authority; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 8 and should be approved.

Accordingly, IT IS ORDERED THAT a certificate of authority for Lee Merger Sub, Inc. to begin business as a Virginia state-chartered bank from the specified location is GRANTED, provided that the Applicant shall not engage in banking business prior to merging with and into Lee Bank & Trust Company, as approved by the Commission in Case No. BAN20220005. If the Applicant does not merge into Lee Bank & Trust Company within one (1) year from the date of this Order, the authority granted herein shall expire unless extended by Commission order prior to the expiration date.

Commissioner Patricia L. West participated in this matter.

Commissioner Judith Williams Jagdmann did not participate in this matter.

**CASE NO. BAN20220005  
FEBRUARY 24, 2022**

APPLICATIONS OF  
LEE MERGER SUB, INC.,  
LEE BANK & TRUST COMPANY, and  
LEE BANKSHARES, INC.

CASE NUMBERS: BAN20220004  
BAN20220005  
BAN20220006

**ORDER REDUCING FEES**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that: (i) Lee Merger Sub, Inc., a proposed interim Virginia state-chartered bank, has filed an application with the Bureau of Financial Institutions ("Bureau") pursuant to § 6.2-816 of the Code of Virginia ("Code") for a certificate of authority to conduct a banking business, and the fee incident to such application is Ten Thousand Dollars (\$10,000); (ii) Lee Bank & Trust Company, a Virginia state-chartered bank, has filed an application with the Bureau pursuant to § 6.2-822 of the Code to merge into it Lee Merger Sub, Inc., and the fee incident to such application is Seven Thousand Five Hundred Dollars (\$7,500); and (iii) Lee Bankshares, Inc., a proposed Virginia financial institution holding company, has filed an application with the Bureau pursuant to § 6.2-704 A of the Code to acquire control of Lee Bank & Trust Company, and the fee incident to such application is Seven Thousand Dollars (\$7,000).

The Commissioner has also reported to the Commission that the total fees incident to the applications as prescribed by §§ 6.2-704 A and 6.2-908 B of the Code and the Commission's October 25, 1990 Administrative Order<sup>1</sup> and April 5, 2016 Clarifying Order<sup>2</sup> would be Twenty-Four Thousand Five Hundred Dollars (\$24,500); and that Lee Merger Sub, Inc., Lee Bank & Trust Company, and Lee Bankshares, Inc. have requested that the Commission reduce the total fees owed.

The Commissioner has recommended that the Commission reduce the total fees by Fourteen Thousand Five Hundred Dollars (\$14,500) pursuant to the Commission's authority under § 6.2-908 C of the Code. The Commissioner further reported to the Commission that the requested reduction in fees is reasonable because the proposed reorganization is essentially a single transaction. Moreover, the reduction in fees for these applications would not be detrimental to the Bureau's effectiveness. Accordingly, the Commissioner has recommended that the Commission grant the requested reduction in fees.

<sup>1</sup> *Relating to fees to be charged in connection with certain applications.* Case No. BFI-1990-00386, Administrative Order (October 25, 1990).

<sup>2</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In re: fees to be charged in connection with certain applications.* Case No. BFI-2016-00013, Clarifying Order (April 5, 2016).

ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION, is of the opinion and concludes that a reasonable basis having been shown, and the Bureau having represented that the reduction in fees would not be detrimental to the effectiveness of the Bureau, the total fees payable by Lee Merger Sub, Inc., Lee Bank & Trust Company, and Lee Bankshares, Inc. in connection with the above-referenced applications is hereby reduced to Ten Thousand Dollars (\$10,000). Notwithstanding this reduction, the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order shall remain in full force and effect.

Commissioner Patricia L. West participated in this matter.

Commissioner Judith Williams Jagdmann did not participate in this matter.

**CASE NO. BAN20220005  
MARCH 30, 2022**

APPLICATION OF  
LEE BANK & TRUST COMPANY

For a certificate of authority to conduct a banking business following a merger with Lee Merger Sub, Inc. and for authority to operate the offices of the merging banks

**ORDER GRANTING AUTHORITY**

Lee Bank & Trust Company, a Virginia state-chartered bank, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-822 of the Code of Virginia ("Code"), for a certificate of authority to conduct a banking business following a merger with Lee Merger Sub, Inc., a Virginia state-chartered bank. Lee Bank & Trust Company proposes to be the surviving bank in the merger and seeks authority to operate all of the currently authorized offices of the merging banks. The Commission's approval of the Application would facilitate the acquisition of Lee Bank & Trust Company by Lee Bankshares, Inc. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 8 of Title 6.2 of the Code ("Chapter 8") for a certificate of authority; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 8 and should be approved.

Accordingly, IT IS ORDERED THAT the proposed merger of Lee Merger Sub, Inc. into Lee Bank & Trust Company is APPROVED and a certificate of authority to conduct a banking business is GRANTED to Lee Bank & Trust Company, effective upon the issuance by the Clerk of the Commission of a certificate of merger in the proposed transaction. The resulting bank is authorized to operate a main office from 41371 West Morgan Avenue, Pennington Gap, Lee County, Virginia, and is authorized to maintain and operate its current offices and facilities. The Commission shall retain jurisdiction over this matter pending consummation of the transaction. The authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date.

Commissioner Patricia L. West participated in this matter.

Commissioner Judith Williams Jagdmann did not participate in this matter.

**CASE NO. BAN20220006  
FEBRUARY 24, 2022**

APPLICATIONS OF  
LEE MERGER SUB, INC.,  
LEE BANK & TRUST COMPANY, and  
LEE BANKSHARES, INC.

CASE NUMBERS: BAN20220004  
BAN20220005  
BAN20220006

**ORDER REDUCING FEES**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that: (i) Lee Merger Sub, Inc., a proposed interim Virginia state-chartered bank, has filed an application with the Bureau of Financial Institutions ("Bureau") pursuant to § 6.2-816 of the Code of Virginia ("Code") for a certificate of authority to conduct a banking business, and the fee incident to such application is Ten Thousand Dollars (\$10,000); (ii) Lee Bank & Trust Company, a Virginia state-chartered bank, has filed an application with the Bureau pursuant to § 6.2-822 of the Code to merge into it Lee Merger Sub, Inc., and the fee incident to such application is Seven Thousand Five Hundred Dollars (\$7,500); and (iii) Lee Bankshares, Inc., a proposed Virginia financial institution holding company, has filed an application with the Bureau pursuant to § 6.2-704 A of the Code to acquire control of Lee Bank & Trust Company, and the fee incident to such application is Seven Thousand Dollars (\$7,000).

The Commissioner has also reported to the Commission that the total fees incident to the applications as prescribed by §§ 6.2-704 A and 6.2-908 B of the Code and the Commission's October 25, 1990 Administrative Order<sup>1</sup> and April 5, 2016 Clarifying Order<sup>2</sup> would be Twenty-Four Thousand Five Hundred Dollars (\$24,500); and that Lee Merger Sub, Inc., Lee Bank & Trust Company, and Lee Bankshares, Inc. have requested that the Commission reduce the total fees owed.

The Commissioner has recommended that the Commission reduce the total fees by Fourteen Thousand Five Hundred Dollars (\$14,500) pursuant to the Commission's authority under § 6.2-908 C of the Code. The Commissioner further reported to the Commission that the requested reduction in fees is reasonable because the proposed reorganization is essentially a single transaction. Moreover, the reduction in fees for these applications would not be detrimental to the Bureau's effectiveness. Accordingly, the Commissioner has recommended that the Commission grant the requested reduction in fees.

NOW THE COMMISSION, is of the opinion and concludes that a reasonable basis having been shown, and the Bureau having represented that the reduction in fees would not be detrimental to the effectiveness of the Bureau, the total fees payable by Lee Merger Sub, Inc., Lee Bank & Trust Company, and Lee Bankshares, Inc. in connection with the above-referenced applications is hereby reduced to Ten Thousand Dollars (\$10,000). Notwithstanding this reduction, the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order shall remain in full force and effect.

Commissioner Patricia L. West participated in this matter.

Commissioner Judith Williams Jagdmann did not participate in this matter.

<sup>1</sup> *Relating to fees to be charged in connection with certain applications.* Case No. BFI-1990-00386, Administrative Order (October 25, 1990).

<sup>2</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In re: fees to be charged in connection with certain applications.* Case No. BFI-2016-00013, Clarifying Order (April 5, 2016).

**CASE NO: BAN20220006  
MARCH 30, 2022**

APPLICATION OF  
LEE BANKSHARES, INC.

To acquire control of Lee Bank & Trust Company

**ORDER OF APPROVAL**

Lee Bankshares, Inc., a Virginia corporation, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-704 A of the Code of Virginia ("Code"), to acquire control of Lee Bank & Trust Company, a Virginia state-chartered bank. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application pursuant to § 6.2-705 of the Code. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 7 of Title 6.2 of the Code ("Chapter 7") to acquire control of a Virginia financial institution; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 7 and should be approved.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Lee Bank & Trust Company by Lee Bankshares, Inc. is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) Lee Bankshares, Inc. notifies the Bureau of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

Commissioner Patricia L. West participated in this matter.

Commissioner Judith Williams Jagdmann did not participate in this matter.

**CASE NO. BAN20220014  
MARCH 31, 2022**

APPLICATION OF  
DEBT SETTLEMENT GROUP, INC., D/B/A DEBTRX

For a license to engage in business as a debt settlement services provider

**ORDER GRANTING A LICENSE**

Debt Settlement Group, Inc., d/b/a DebtRx ("Applicant"), a Maryland corporation, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-2028 of the Code of Virginia ("Code"), for a license to engage in business as a debt settlement services provider from 5257 Buckeystown Pike #127, Frederick, Maryland 21704. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 20.1 of Title 6.2 of the Code ("Chapter 20.1") for the issuance of a debt settlement services provider license; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 20.1 and should be approved.

Accordingly, IT IS ORDERED THAT the Application is APPROVED provided that: (i) the Applicant begins business within one (1) year from the date of this Order; and (ii) within twenty (20) days of beginning business, the Applicant gives written notice to the Bureau stating the date it began such business.

**CASE NO. BAN20220020  
JUNE 27, 2022**

APPLICATION OF  
OCEANFIRST FINANCIAL CORP.

To acquire control of Virginia Partners Bank

**ORDER OF APPROVAL**

OceanFirst Financial Corp., a Delaware corporation, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-704 C of the Code of Virginia ("Code"), to acquire control of Virginia Partners Bank, a Virginia state-chartered bank. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application pursuant to § 6.2-705 of the Code. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application satisfies the provisions of § 6.2-705 of the Code; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application satisfies the provisions of § 6.2-705 of the Code and should be approved.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Virginia Partners Bank by OceanFirst Financial Corp. is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) OceanFirst Financial Corp. notifies the Bureau of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

**CASE NO. BAN20220035  
JUNE 9, 2022**

APPLICATION OF  
ODNB FINANCIAL CORPORATION

To acquire control of Old Dominion National Bank

**ORDER OF APPROVAL**

ODNB Financial Corporation, a Virginia corporation, has applied to the State Corporation Commission ("Commission"), pursuant to 6.2-704 A of the Code of Virginia ("Code"), to acquire control of Old Dominion National Bank, a Virginia financial institution. The Commissioner of Financial Institutions has recommended that the Commission enter an order approving the application.

NOW THE COMMISSION, having considered this matter, finds that the application meets the requirements in Chapter 7 of Title 6.2 of the Code and should be approved.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Old Dominion National Bank by ODNB Financial Corporation is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) ODNB Financial Corporation notifies the Bureau of Financial Institutions of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

**CASE NO. BAN20220048  
JULY 13, 2022**

APPLICATION OF  
CORNERSTONE BANK

For a certificate of authority to engage in business as a state-chartered bank upon the conversion of CornerStone Bank, N.A.

**ORDER GRANTING AUTHORITY**

CornerStone Bank, a Virginia corporation, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to §§ 6.2-816 and 6.2-823 of the Code of Virginia ("Code"), for a certificate of authority to engage in business as a Virginia state-chartered bank. CornerStone Bank was formed to be the successor to CornerStone Bank, N.A., which has its main office at 54 S. Main Street, City of Lexington, Virginia and operates three branches (*see* attached Exhibit A for branch locations). The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 8 of Title 6.2 of the Code for a certificate of authority; and (iii) recommended that the Commission enter an order granting a certificate of authority.

NOW THE COMMISSION, having considered the Application and the results of the Bureau's investigation, finds that the requirements of §§ 6.2-816 and 6.2-823 of the Code have been met, and that a certificate of authority should be granted.

Accordingly, IT IS ORDERED THAT a certificate of authority for CornerStone Bank to begin business as a Virginia state-chartered bank from the specified main office location and the branch locations in Exhibit A is GRANTED, provided the following conditions are met before CornerStone Bank commences business as a state-chartered bank:

- (1) The sum of CornerStone Bank's equity capital accounts shall be not less than \$18 million, including capital stock of not less than \$5,472,875 and surplus of not less than \$5,812,532;
- (2) CornerStone Bank shall obtain insurance of its accounts by the Federal Deposit Insurance Corporation; and
- (3) CornerStone Bank shall notify the Bureau of the date on which it will commence business as a state-chartered bank.

The authority granted herein shall expire one (1) year from the date of this Order unless extended by the Commission prior to the expiration date.

NOTE: A copy of the attachment entitled "Exhibit A" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. BAN20220070  
AUGUST 10, 2022**

APPLICATIONS OF  
B&H SUBSIDIARY, INC., BURKE & HERBERT BANK & TRUST COMPANY,  
AND BURKE & HERBERT FINANCIAL SERVICES CORP.

CASE NUMBERS: BAN20220070  
BAN20220071  
BAN20220072

**ORDER REDUCING FEES**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that: (i) B&H Subsidiary, Inc., a proposed interim Virginia state-chartered bank, has filed an application with the Bureau of Financial Institutions ("Bureau") pursuant to § 6.2-816 of the Code of Virginia ("Code") for a certificate of authority to conduct a banking business, and the fee incident to such application is Ten Thousand Dollars (\$10,000); (ii) Burke & Herbert Bank & Trust Company, a Virginia state-chartered bank, has filed an application with the Bureau pursuant to § 6.2-822 of the Code to merge into it B&H Subsidiary, Inc., and the fee incident to such application is Seven Thousand Five Hundred Dollars (\$7,500); and (iii) Burke & Herbert Financial Services Corp., a proposed Virginia financial institution holding company, has filed an application with the Bureau pursuant to § 6.2-704 A of the Code to acquire control of Burke & Herbert Bank & Trust Company, and the fee incident to such application is Seven Thousand Dollars (\$7,000).

The Commissioner has also reported to the Commission that the total fees incident to the applications as prescribed by §§ 6.2-704 A and 6.2-908 B of the Code and the Commission's October 25, 1990 Administrative Order<sup>1</sup> and April 5, 2016 Clarifying Order<sup>2</sup> would be Twenty-Four Thousand Five Hundred Dollars (\$24,500); and that B&H Subsidiary, Inc., Burke & Herbert Bank & Trust Company, and Burke & Herbert Financial Services Corp., have requested that the Commission reduce the total fees owed.

The Commissioner has recommended that the Commission reduce the total fees by Fourteen Thousand Five Hundred Dollars (\$14,500) pursuant to the Commission's authority under § 6.2-908 C of the Code. The Commissioner further reported to the Commission that the requested reduction in fees is reasonable because the proposed reorganization is essentially a single transaction. Moreover, the reduction in fees for these applications would not be detrimental to the Bureau's effectiveness. Accordingly, the Commissioner has recommended that the Commission grant the requested reduction in fees.

<sup>1</sup> *Relating to fees to be charged in connection with certain applications.* Case No. BFI-1990-00386, Administrative Order (October 25, 1990).

<sup>2</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In re: fees to be charged in connection with certain applications.* Case No. BFI-2016-00013, Clarifying Order (April 5, 2016).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION, is of the opinion and concludes that a reasonable basis having been shown, and the Bureau having represented that the reduction in fees would not be detrimental to the effectiveness of the Bureau, the total fees payable by B&H Subsidiary, Inc., Burke & Herbert Bank & Trust Company, and Burke & Herbert Financial Services Corp. in connection with the above-referenced applications is hereby reduced to Ten Thousand Dollars (\$10,000). Notwithstanding this reduction, the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order shall remain in full force and effect.

**CASE NO. BAN20220070  
AUGUST 31, 2022**

APPLICATION OF  
B&H SUBSIDIARY, INC.

For a certificate of authority to begin business as a bank from 100 South Fairfax Street, City of Alexandria, Virginia

**ORDER GRANTING AUTHORITY**

B&H Subsidiary, Inc. ("Applicant"), a Virginia corporation, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-816 of the Code of Virginia ("Code"), for a certificate of authority to begin business as a Virginia state-chartered bank from 100 South Fairfax Street, City of Alexandria, Virginia. The Commission's approval of the Application would facilitate the merger of the Applicant into Burke & Herbert Bank & Trust Company, a Virginia state-chartered bank. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 8 of Title 6.2 of the Code ("Chapter 8") for a certificate of authority; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 8 and should be approved.

Accordingly, IT IS ORDERED THAT a certificate of authority for B&H Subsidiary, Inc. to begin business as a Virginia state-chartered bank from the specified location is GRANTED, provided that the Applicant shall not engage in banking business prior to merging with and into Burke & Herbert Bank & Trust Company, as approved by the Commission in Case No. BAN20220071. If the Applicant does not merge into Burke & Herbert Bank & Trust Company within one (1) year from the date of this Order, the authority granted herein shall expire unless extended by Commission order prior to the expiration date.

**CASE NO. BAN20220071  
AUGUST 10, 2022**

APPLICATIONS OF  
B&H SUBSIDIARY, INC., BURKE & HERBERT BANK & TRUST COMPANY,  
AND BURKE & HERBERT FINANCIAL SERVICES CORP.

CASE NUMBERS: BAN20220070  
BAN20220071  
BAN20220072

**ORDER REDUCING FEES**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that: (i) B&H Subsidiary, Inc., a proposed interim Virginia state-chartered bank, has filed an application with the Bureau of Financial Institutions ("Bureau") pursuant to § 6.2-816 of the Code of Virginia ("Code") for a certificate of authority to conduct a banking business, and the fee incident to such application is Ten Thousand Dollars (\$10,000); (ii) Burke & Herbert Bank & Trust Company, a Virginia state-chartered bank, has filed an application with the Bureau pursuant to § 6.2-822 of the Code to merge into it B&H Subsidiary, Inc., and the fee incident to such application is Seven Thousand Five Hundred Dollars (\$7,500); and (iii) Burke & Herbert Financial Services Corp., a proposed Virginia financial institution holding company, has filed an application with the Bureau pursuant to § 6.2-704 A of the Code to acquire control of Burke & Herbert Bank & Trust Company, and the fee incident to such application is Seven Thousand Dollars (\$7,000).

The Commissioner has also reported to the Commission that the total fees incident to the applications as prescribed by §§ 6.2-704 A and 6.2-908 B of the Code and the Commission's October 25, 1990 Administrative Order<sup>1</sup> and April 5, 2016 Clarifying Order<sup>2</sup> would be Twenty-Four Thousand Five Hundred Dollars (\$24,500); and that B&H Subsidiary, Inc., Burke & Herbert Bank & Trust Company, and Burke & Herbert Financial Services Corp., have requested that the Commission reduce the total fees owed.

The Commissioner has recommended that the Commission reduce the total fees by Fourteen Thousand Five Hundred Dollars (\$14,500) pursuant to the Commission's authority under § 6.2-908 C of the Code. The Commissioner further reported to the Commission that the requested reduction in fees is reasonable because the proposed reorganization is essentially a single transaction. Moreover, the reduction in fees for these applications would not be detrimental to the Bureau's effectiveness. Accordingly, the Commissioner has recommended that the Commission grant the requested reduction in fees.

<sup>1</sup> *Relating to fees to be charged in connection with certain applications.* Case No. BFI-1990-00386, Administrative Order (October 25, 1990).

<sup>2</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In re: fees to be charged in connection with certain applications.* Case No. BFI-2016-00013, Clarifying Order (April 5, 2016).

NOW THE COMMISSION, is of the opinion and concludes that a reasonable basis having been shown, and the Bureau having represented that the reduction in fees would not be detrimental to the effectiveness of the Bureau, the total fees payable by B&H Subsidiary, Inc., Burke & Herbert Bank & Trust Company, and Burke & Herbert Financial Services Corp. in connection with the above-referenced applications is hereby reduced to Ten Thousand Dollars (\$10,000). Notwithstanding this reduction, the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order shall remain in full force and effect.

**CASE NO. BAN20220071  
AUGUST 31, 2022**

APPLICATION OF  
BURKE & HERBERT BANK & TRUST COMPANY

For a certificate of authority to conduct a banking and trust business following a merger with B&H Subsidiary, Inc. and for authority to operate the offices of the merging banks

**ORDER GRANTING AUTHORITY**

Burke & Herbert Bank & Trust Company, a Virginia state-chartered bank, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-822 of the Code of Virginia ("Code"), for a certificate of authority to conduct a banking and trust business following a merger with B&H Subsidiary, Inc., a Virginia state-chartered bank. Burke & Herbert Bank & Trust Company proposes to be the surviving bank in the merger and seeks authority to operate all of the currently authorized offices of the merging banks. The Commission's approval of the Application would facilitate the acquisition of Burke & Herbert Bank & Trust Company by Burke & Herbert Financial Services Corp. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 8 of Title 6.2 of the Code ("Chapter 8") for a certificate of authority; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 8 and should be approved.

Accordingly, IT IS ORDERED THAT the proposed merger of B&H Subsidiary, Inc. into Burke & Herbert Bank & Trust Company is APPROVED and a certificate of authority to conduct a banking and trust business is GRANTED to Burke & Herbert Bank & Trust Company, effective upon the issuance by the Clerk of the Commission of a certificate of merger in the proposed transaction. The resulting bank is authorized to operate a main office from 100 South Fairfax Street, City of Alexandria, Virginia, and is authorized to maintain and operate its current offices and facilities. The Commission shall retain jurisdiction over this matter pending consummation of the transaction. The authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date.

**CASE NO. BAN20220072  
AUGUST 10, 2022**

APPLICATIONS OF  
B&H SUBSIDIARY, INC., BURKE & HERBERT BANK & TRUST COMPANY,  
AND BURKE & HERBERT FINANCIAL SERVICES CORP.

CASE NUMBERS: BAN20220070  
BAN20220071  
BAN20220072

**ORDER REDUCING FEES**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that: (i) B&H Subsidiary, Inc., a proposed interim Virginia state-chartered bank, has filed an application with the Bureau of Financial Institutions ("Bureau") pursuant to § 6.2-816 of the Code of Virginia ("Code") for a certificate of authority to conduct a banking business, and the fee incident to such application is Ten Thousand Dollars (\$10,000); (ii) Burke & Herbert Bank & Trust Company, a Virginia state-chartered bank, has filed an application with the Bureau pursuant to § 6.2-822 of the Code to merge into it B&H Subsidiary, Inc., and the fee incident to such application is Seven Thousand Five Hundred Dollars (\$7,500); and (iii) Burke & Herbert Financial Services Corp., a proposed Virginia financial institution holding company, has filed an application with the Bureau pursuant to § 6.2-704 A of the Code to acquire control of Burke & Herbert Bank & Trust Company, and the fee incident to such application is Seven Thousand Dollars (\$7,000).

The Commissioner has also reported to the Commission that the total fees incident to the applications as prescribed by §§ 6.2-704 A and 6.2-908 B of the Code and the Commission's October 25, 1990 Administrative Order<sup>1</sup> and April 5, 2016 Clarifying Order<sup>2</sup> would be Twenty-Four Thousand Five Hundred Dollars (\$24,500); and that B&H Subsidiary, Inc., Burke & Herbert Bank & Trust Company, and Burke & Herbert Financial Services Corp., have requested that the Commission reduce the total fees owed.

<sup>1</sup> *Relating to fees to be charged in connection with certain applications.* Case No. BFI-1990-00386, Administrative Order (October 25, 1990).

<sup>2</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In re: fees to be charged in connection with certain applications.* Case No. BFI-2016-00013, Clarifying Order (April 5, 2016).



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Commissioner has recommended that the Commission reduce the total fees by Fourteen Thousand Five Hundred Dollars (\$14,500) pursuant to the Commission's authority under § 6.2-908 C of the Code. The Commissioner further reported to the Commission that the requested reduction in fees is reasonable because the proposed reorganization is essentially a single transaction. Moreover, the reduction in fees for these applications would not be detrimental to the Bureau's effectiveness. Accordingly, the Commissioner has recommended that the Commission grant the requested reduction in fees.

NOW THE COMMISSION, is of the opinion and concludes that a reasonable basis having been shown, and the Bureau having represented that the reduction in fees would not be detrimental to the effectiveness of the Bureau, the total fees payable by B&H Subsidiary, Inc., Burke & Herbert Bank & Trust Company, and Burke & Herbert Financial Services Corp. in connection with the above-referenced applications is hereby reduced to Ten Thousand Dollars (\$10,000). Notwithstanding this reduction, the Commission's October 25, 1990 Administrative Order and April 5, 2016 Clarifying Order shall remain in full force and effect.

**CASE NO. BAN20220072**  
**AUGUST 31, 2022**

APPLICATION OF  
BURKE & HERBERT FINANCIAL SERVICES CORP.

To acquire control of Burke & Herbert Bank & Trust Company

**ORDER OF APPROVAL**

Burke & Herbert Financial Services Corp., a Virginia corporation, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-704 A of the Code of Virginia ("Code"), to acquire control of Burke & Herbert Bank & Trust Company, a Virginia state-chartered bank. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application pursuant to § 6.2-705 of the Code. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 7 of Title 6.2 of the Code ("Chapter 7") for approval to acquire control of a Virginia financial institution; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 7 and should be approved.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Burke & Herbert Bank & Trust Company by Burke & Herbert Financial Services Corp. is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) Burke & Herbert Financial Services Corp. notifies the Bureau of the effective date of the transaction within ten (10) days thereafter. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

**CASE NO. BAN20220075**  
**AUGUST 12, 2022**

REQUEST BY  
HABITAT FOR HUMANITY OF WASHINGTON, D.C. & NORTHERN VIRGINIA, INC.

To be designated as a bona fide nonprofit organization

**ORDER GRANTING DESIGNATION**

Habitat for Humanity of Washington, D.C. & Northern Virginia, Inc., a District of Columbia corporation, has submitted a request ("Request") to the State Corporation Commission ("Commission") for designation as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia ("Code") and Rule 10 VAC 5-161-75 of the Commission's rules governing Mortgage Loan Originators, 10 VAC 5-161-10 *et seq.* The Commission's Bureau of Financial Institutions ("Bureau") investigated the Request. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Request meets the criteria in § 6.2-1701.1 of the Code and Rule 10 VAC 5-161-75; and (iii) recommended that the Commission enter an order approving the Request.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Request meets the criteria in § 6.2-1701.1 of the Code and Rule 10 VAC 5-161-75 and should be approved.

Accordingly, IT IS ORDERED THAT the Request is APPROVED. Habitat for Humanity of Washington, D.C. & Northern Virginia, Inc. is hereby designated as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code and Rule 10 VAC 5-161-75.

**CASE NO. BAN20220141  
DECEMBER 12, 2022**

APPLICATION OF  
FARMERS BANKSHARES, INC.

For a certificate of authority to begin business as a bank from 50 East Windsor Boulevard, Windsor, Isle of Wight County, Virginia

**ORDER GRANTING AUTHORITY**

Farmers Bankshares, Inc. ("Applicant"), a Virginia corporation, has filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 6.2-816 of the Code of Virginia ("Code"), for a certificate of authority to begin business as a Virginia state-chartered bank from 50 East Windsor Boulevard, Windsor, Isle of Wight County, Virginia. The Commission's approval of the Application would facilitate the merger of the Applicant into TowneBank, a Virginia state-chartered bank. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Application. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Application meets the criteria in Chapter 8 of Title 6.2 of the Code ("Chapter 8") for a certificate of authority; and (iii) recommended that the Commission enter an order approving the Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Application meets the criteria in Chapter 8 and should be approved.

Accordingly, IT IS ORDERED THAT a certificate of authority for Farmers Bankshares, Inc. to begin business as a Virginia state-chartered bank from the specified location is GRANTED, provided that the Applicant shall not engage in banking business prior to merging with and into TowneBank, as approved by the Commission in Case No. BAN20220142. If the Applicant does not merge into TowneBank within one (1) year from the date of this Order, the authority granted herein shall expire unless extended by Commission order prior to the expiration date.

**CASE NO. BAN20220142  
OCTOBER 26, 2022**

APPLICATIONS OF  
TOWNE BANK

CASE NUMBERS: BAN20220142  
BAN20220143

**ORDER REDUCING FEES**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Towne Bank, a Virginia state-chartered bank, has filed two applications with the Bureau of Financial Institutions ("Bureau") pursuant to § 6.2-822 of the Code of Virginia ("Code") to merge into it Farmers Bankshares, Inc. and Farmers Bank, Windsor, Virginia and that the fee incident to each application is Seven Thousand Five Hundred Dollars (\$7,500).

The Commissioner has also reported to the Commission that the total fees incident to the applications as prescribed by § 6.2-908 B of the Code would be Fifteen Thousand Dollars (\$15,000) and that Towne Bank has requested that the Commission reduce the total fees by Seven Thousand Five Hundred Dollars (\$7,500). The Commissioner has further reported to the Commission that the requested reduction in fees is reasonable because the proposed mergers of Farmers Bankshares, Inc. and Farmers Bank, Windsor, Virginia into Towne Bank will be accomplished through a single transaction pursuant to the same plan of merger. Moreover, the reduction in fees for these applications would not be detrimental to the Bureau's effectiveness. Accordingly, the Commissioner has recommended that the Commission grant the requested reduction in fees.

GOOD CAUSE having been shown, the total fees to be paid by Towne Bank in connection with the above-referenced applications are hereby reduced to Seven Thousand Five Hundred Dollars (\$7,500).

**CASE NO. BAN20220142  
DECEMBER 12, 2022**

APPLICATIONS OF  
TOWNEBANK

CASE NUMBER: BAN20220142  
BAN20220143

For a certificate of authority to conduct a banking and trust business following mergers with Farmers Bank, Windsor, Virginia and Farmers Bankshares, Inc. and for authority to operate the offices of the merging banks

**ORDER GRANTING AUTHORITY**

TowneBank, a Virginia state-chartered bank, has filed applications ("Applications") with the State Corporation Commission ("Commission"), pursuant to § 6.2-822 of the Code of Virginia ("Code"), for a certificate of authority to conduct a banking and trust business following mergers with Farmers Bank, Windsor, Virginia, a Virginia state-chartered bank, and its parent, Farmers Bankshares, Inc. TowneBank proposes to be the surviving bank in the mergers and seeks authority to operate, in addition to its current offices and facilities, the authorized and opened offices of Farmers Bank, Windsor, Virginia. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Applications. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Applications meet the criteria in Chapter 8 of Title 6.2 of the Code ("Chapter 8") for a certificate of authority; and (iii) recommended that the Commission enter an order approving the Applications.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Applications meet the criteria in Chapter 8 and should be approved.

Accordingly, IT IS ORDERED THAT the proposed mergers of Farmers Bank, Windsor, Virginia and Farmers Bankshares, Inc. into TowneBank are APPROVED and a certificate of authority to conduct a banking and trust business is GRANTED to TowneBank, effective upon the issuance by the Clerk of the Commission of certificates of merger in the proposed transactions. The resulting bank is authorized to operate a main office from 5716 High Street, City of Portsmouth, Virginia, and is authorized to maintain and operate, in addition to its current offices and facilities, the authorized and opened offices of Farmers Bank, Windsor, Virginia listed in Attachment A. The Commission shall retain jurisdiction over this matter pending consummation of the transactions. The authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date.

NOTE: A copy of the attachment entitled "Attachment A" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. BAN20220143  
OCTOBER 26, 2022**

APPLICATIONS OF  
TOWNE BANK

CASE NUMBERS: BAN20220142  
BAN20220143

**ORDER REDUCING FEES**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Towne Bank, a Virginia state-chartered bank, has filed two applications with the Bureau of Financial Institutions ("Bureau") pursuant to § 6.2-822 of the Code of Virginia ("Code") to merge into it Farmers Bankshares, Inc. and Farmers Bank, Windsor, Virginia and that the fee incident to each application is Seven Thousand Five Hundred Dollars (\$7,500).

The Commissioner has also reported to the Commission that the total fees incident to the applications as prescribed by § 6.2-908 B of the Code would be Fifteen Thousand Dollars (\$15,000) and that Towne Bank has requested that the Commission reduce the total fees by Seven Thousand Five Hundred Dollars (\$7,500). The Commissioner has further reported to the Commission that the requested reduction in fees is reasonable because the proposed mergers of Farmers Bankshares, Inc. and Farmers Bank, Windsor, Virginia into Towne Bank will be accomplished through a single transaction pursuant to the same plan of merger. Moreover, the reduction in fees for these applications would not be detrimental to the Bureau's effectiveness. Accordingly, the Commissioner has recommended that the Commission grant the requested reduction in fees.

GOOD CAUSE having been shown, the total fees to be paid by Towne Bank in connection with the above-referenced applications are hereby reduced to Seven Thousand Five Hundred Dollars (\$7,500).

**CASE NO. BAN20220143  
DECEMBER 12, 2022**

APPLICATIONS OF  
TOWNEBANK

CASE NUMBER: BAN20220142  
BAN20220143

For a certificate of authority to conduct a banking and trust business following mergers with Farmers Bank, Windsor, Virginia and Farmers Bankshares, Inc. and for authority to operate the offices of the merging banks

**ORDER GRANTING AUTHORITY**

TowneBank, a Virginia state-chartered bank, has filed applications ("Applications") with the State Corporation Commission ("Commission"), pursuant to § 6.2-822 of the Code of Virginia ("Code"), for a certificate of authority to conduct a banking and trust business following mergers with Farmers Bank, Windsor, Virginia, a Virginia state-chartered bank, and its parent, Farmers Bankshares, Inc. TowneBank proposes to be the surviving bank in the mergers and seeks authority to operate, in addition to its current offices and facilities, the authorized and opened offices of Farmers Bank, Windsor, Virginia. The Commission's Bureau of Financial Institutions ("Bureau") investigated the Applications. The Commissioner of Financial Institutions: (i) provided the results of the Bureau's investigation to the Commission; (ii) opined that the Applications meet the criteria in Chapter 8 of Title 6.2 of the Code ("Chapter 8") for a certificate of authority; and (iii) recommended that the Commission enter an order approving the Applications.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Applications meet the criteria in Chapter 8 and should be approved.

Accordingly, IT IS ORDERED THAT the proposed mergers of Farmers Bank, Windsor, Virginia and Farmers Bankshares, Inc. into TowneBank are APPROVED and a certificate of authority to conduct a banking and trust business is GRANTED to TowneBank, effective upon the issuance by the Clerk of the Commission of certificates of merger in the proposed transactions. The resulting bank is authorized to operate a main office from 5716 High Street, City of Portsmouth, Virginia, and is authorized to maintain and operate, in addition to its current offices and facilities, the authorized and opened offices of Farmers Bank, Windsor, Virginia listed in Attachment A. The Commission shall retain jurisdiction over this matter pending consummation of the transactions. The authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date.

NOTE: A copy of the attachment entitled "Attachment A" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. BFI-2019-00049  
AUGUST 3, 2022**

VIRGINIA BANKERS ASSOCIATION, FARMERS BANK, AMERICAN NATIONAL BANK & TRUST COMPANY, FIRST BANK & TRUST COMPANY, FIRST NATIONAL BANK, CHESAPEAKE BANK, THE BANK OF CHARLOTTE COUNTY, and BLUE RIDGE BANK, N.A.,  
Petitioners,

v.

VIRGINIA CREDIT UNION, INC., and COMMISSIONER OF FINANCIAL INSTITUTIONS, E. JOSEPH FACE, JR.,  
Respondents.

**FINAL ORDER**

Sections 6.2-1327 and 6.2-1328 of the Code of Virginia ("Code") require the State Corporation Commission ("Commission") to make certain findings attendant to credit union field of membership expansions. As permitted by Code §§ 12.1-13 and 12.1-16, the Commission has previously "delegated to the Commissioner of Financial Institutions the authority to exercise its powers and to act for it in the following matters: ... To make such findings as are required by §§ 6.2-1327 and 6.2-1328 of the Code of Virginia relating to fields of membership of credit unions and the expansion of such fields of membership."<sup>1</sup> Such delegation, however, is not absolute. Rather, "[a]ll actions taken by the Commissioner of Financial Institutions pursuant to the authority granted here are subject to review by the commission in accordance with the Rules of Practice and Procedure of the State Corporation Commission."<sup>2</sup>

Virginia Credit Union, Inc. ("VACU") sought an expansion of its field of membership, under Code §§ 6.2-1327 and 6.2-1328, to include The Medical Society of Virginia ("MSV"). After the Commissioner of Financial Institutions exercised the delegated authority noted above, the Virginia Bankers Association and seven banks from across the Commonwealth (collectively, "Petitioners") sought the Commission's review in accordance with 10 VAC 5-10-10(C) and the Commission's Rules of Practice and Procedure.<sup>3</sup>

<sup>1</sup> 10 VAC 5-10-10(A)(22).

<sup>2</sup> 10 VAC 5-10-10(C).

<sup>3</sup> As noted above, the Commission has delegated to the Commissioner of Financial Institutions its authority to make findings under Code §§ 6.2-1327 and 6.2-1328. In addition, Code § 6.2-1323 requires the Commissioner of Financial Institutions to approve or disapprove, within 60 days, proposed changes to VACU's bylaws that include an amendment to expand the field of membership. This authority, however, does not supplant the Commission's explicit authority to make findings under Code §§ 6.2-1327 and 6.2-1328. As set forth in 10 VAC 5-10-10(C), all actions taken by the Commissioner of Financial Institutions pursuant to delegated authority are subject to the Commission's review.

The Commission directed its Office of Hearing Examiners to convene full evidentiary proceedings wherein VACU shall have the burden to prove compliance with the applicable legal standards in this matter.<sup>4</sup> At the conclusion of such proceedings, the Commission's Chief Hearing Examiner issued a Report in this matter ("Report"). Comments to the Report were timely filed by the following parties to this case: VACU; Petitioners; MSV; Virginia Credit Union League ("League"); and Virginia Association of Community Banks.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that VACU's request to expand its field of membership to include MSV is denied.<sup>5</sup>

As an initial matter, VACU and Petitioners agree that it is VACU's burden to prove compliance with the applicable legal standards.<sup>6</sup> The Commission finds, as set forth below, that VACU has not met that burden.

The Commission acts through the authority granted to it under the laws of the Commonwealth, and this case is no exception. The General Assembly has long expressed a clear directive when it states, in the very first sentence of Code § 6.2-1328, that: "When practicable and consistent with reasonable safety-and-soundness standards, the Commission shall encourage the formation of a separately chartered credit union instead of adding a new group to the field of membership of an existing credit union."<sup>7</sup>

Code § 6.2-1328 then prescribes: "If the Commission finds that the formation of a separate credit union by a group desiring such services is not practicable, or is not consistent with reasonable safety-and-soundness standards, it may authorize the group to be included in the field of membership of a state credit union[.]"<sup>8</sup> Thus, VACU must first establish that "the formation of a separate credit union by [MSV] is not practicable, or is not consistent with reasonable safety-and-soundness standards" before the Commission "may" authorize MSV to be included in VACU's field of membership.

The Commission finds that VACU has not met its burden to show that "the formation of a separate credit union by [MSV] is not practicable, or is not consistent with reasonable safety-and-soundness standards[.]" This finding is supported by evidence regarding a variety of factors specific to this case, each of which is addressed in turn.<sup>9</sup>

#### MSV Assets & Inherent Value

Petitioners' witness, Dr. Christine Chmura, prepared the only economic analysis of MSV's ability to form its own credit union in the record. Dr. Chmura's conclusion that MSV could establish a \$35 million credit union based on the National Credit Union Administration's projections, with \$3.51 million in start-up capital, was uncontested.<sup>10</sup> Also uncontested was Dr. Chmura's finding in support of this conclusion that more than 2,900, or 29%, of MSV members would likely join an MSV start-up credit union within the first five years, building assets slightly over \$35 million.<sup>11</sup>

VACU did not establish that MSV's assets and inherent value are insufficient, such that formation of a new MSV credit union "is not practicable, or is not consistent with reasonable safety-and-soundness standards[.]" The record reflects that MSV has at least three sources of assets from which to fund the formation of a new MSV credit union. For example:

- MSV has more than \$3.52 million in securities that could help fund a new MSV credit union.<sup>12</sup>
- Based on county property tax assessments, MSV has over \$1 million in equity in its MSV Building, which could also be leveraged to help fund a new MSV credit union.<sup>13</sup>
- MSV receives rental income from the MSV Building, a portion of which could potentially fund a new MSV credit union.<sup>14</sup>

<sup>4</sup> See Dec. 29, 2020, *Order Remanding* in the instant docket.

<sup>5</sup> The Commission denies the Petitioners' outstanding motions to strike. Considering the items the Petitioners want stricken does not change the Commission's findings in this proceeding.

<sup>6</sup> See, e.g., VACU Post Hearing Brief at 2, 4; Petitioners' Post Hearing Brief at 1.

<sup>7</sup> This language has remained unchanged since 1999.

<sup>8</sup> In addition, Code § 6.2-1328 requires the Commission to make a series of findings about the credit union proposed to be expanded prior to authorizing a new group to be included in its field of membership.

<sup>9</sup> The Commission has fully considered the evidence and arguments in the record. See also *Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

<sup>10</sup> See, e.g., DN-55 (Dr. Chmura's "Economic Research Related to VBA Petition" March 18, 2020) at 28; Petitioners' Comments at 20.

<sup>11</sup> See, e.g., DN-55 (Dr. Chmura's "Economic Research Related to VBA Petition" March 18, 2020) at 28; Petitioners' Post Hearing Brief at 19-20, 39-40; Petitioners' Comments at 12.

<sup>12</sup> See, e.g., Petitioners' Post Hearing Brief at 9; DN-17 (Davis Direct) at 10; Tr. 677-678. In addition, while MSV claimed it needs investment to generate annual income to contribute to MSV programs to make up for operating losses and for a rainy-day fund, the record does not sufficiently quantify how much MSV currently needs for such items. See, e.g., Report at 44.

<sup>13</sup> See, e.g., Petitioners' Post Hearing Brief at 10-11 *citing* DN-17 (Davis Direct) at 12.

<sup>14</sup> See, e.g., Petitioners' Comments at 10-11.

While the total value of these assets alone surpasses the uncontested \$3.51 million in estimated capital costs necessary to form a MSV credit union, the record reflects that MSV could also benefit from additional sources of value from within its own organization. For example:

- MSV and MSV Insurance Agency benefit from shared resources.<sup>15</sup> Using the MSV Building, the MSV Insurance Agency customer base, office equipment and IT infrastructure for the MSV credit union could decrease the start-up contribution costs necessary to form a MSV credit union.<sup>16</sup>
- MSV has its own marketing team.<sup>17</sup> The same dedicated marketing services could be deployed on behalf of a newly formed MSV credit union.<sup>18</sup>
- Melina Davis, MSV's Chief Executive Officer, could provide valuable expertise to a MSV credit union.<sup>19</sup> Ms. Davis has experience in credit union operations from her service on the VACU Board of Directors.<sup>20</sup>

#### Sponsorship

VACU further did not establish that, should MSV's assets and inherent value prove insufficient, MSV would be precluded from seeking sponsorship to form its own credit union. For example, MSV conducted no survey to determine the extent of potential additional financial support that MSV could achieve through a capital campaign, nor did MSV claim a well-run capital campaign would be ineffective.<sup>21</sup> MSV likewise made no effort to raise money from the 90 hospitals in Virginia and six medical and osteopathic schools, nor did MSV conduct any survey of such institutions or otherwise demonstrate that they would be unwilling to contribute to a capital campaign.<sup>22</sup> MSV acknowledged that "we haven't pursued forming a credit union and we haven't asked anybody to donate to such an endeavor."<sup>23</sup>

#### Management

VACU did not establish that a new MSV credit union would be unable to hire competent staff.<sup>24</sup> The evidence in the record reflects that:

- The funds required to bring the experienced and dedicated management team necessary to create a MSV credit union on board are included in the MSV credit union start-up costs of \$3.51 million.<sup>25</sup>
- The Richmond area, where MSV is, and a new MSV credit union would be headquartered, constitutes a "finance cluster" where ample education and training for workers exists.<sup>26</sup>
- MSV has a track record of successfully organizing and operating a non-medical business of interest to physicians, the MSV Insurance Agency. While there are differences in the two types of businesses, the fact that MSV has already organized and operated a non-medical business successfully, is an indication that it could do so again.<sup>27</sup>
- MSV could draw on its long history of attracting a diverse group of individuals to serve on the board of its insurance agency to assemble a group of qualified individuals to serve on the board of a MSV credit union.<sup>28</sup>
- While VACU showed that MSV is likely to need to engage outside expertise to assist with the process of chartering a new credit union, MSV did not survey its members to determine their interest in a credit union.<sup>29</sup>

<sup>15</sup> See, e.g., *id.* at 10-12.

<sup>16</sup> See, e.g., *id.* at 11, 37.

<sup>17</sup> See, e.g., DN-38 (Whitehurst Direct) at Exhibit B, PE-7 (Excerpts from MSV Insurance Agency Website).

<sup>18</sup> See, e.g., Petitioners' Post Hearing Brief at 15 *citing* DN-36 (Whitehurst Direct) at Exhibit B, PE-7 (Excerpts from MSV Insurance Agency Website).

<sup>19</sup> See, e.g., Tr. 676; Petitioners' Post Hearing Brief at 14-15.

<sup>20</sup> See, e.g., DN-56 (Chmura Rebuttal) at 4; Petitioners' Comments at 38.

<sup>21</sup> See, e.g., Petitioners' Post Hearing Brief at 24; Petitioners' Comments at 9-10, 36.

<sup>22</sup> See, e.g., Petitioners' Comments at 35-36, 41-42, 51-52.

<sup>23</sup> Tr. 692.

<sup>24</sup> See, e.g., Report at 45-46; *see also* Petitioners' Comments at 38-40.

<sup>25</sup> Petitioners' Post Hearing Brief at 26-27 *citing* DN-36 (Whitehurst Direct) Exhibit B, PE-8 (May 2, 2019 letter from VACU to BFI) at 4.

<sup>26</sup> See, e.g., Petitioners' Post Hearing Brief at 27 *citing* DN-54 (Chmura Direct) at 3.

<sup>27</sup> See, e.g., Petitioners' Post-Hearing Brief at 13-14; DN-36 (Whitehurst Direct) at Exhibit B, PE-7 (Excerpts from MSV Insurance Agency Website).

<sup>28</sup> See, e.g., DN-56 (Chmura Rebuttal) at 5-6; Petitioners' Post Hearing Brief at 12-13.

<sup>29</sup> See, e.g., Petitioners' Post Hearing Brief at 25.

### Size

An anticipated \$35.1 million MSV credit union would be smaller than VACU. While the record contains evidence that smaller credit unions may not benefit from the economies of scale of larger credit unions such as VACU, we agree with Petitioners: whether formation of a separate credit union is practicable or consistent with reasonable safety-and-soundness standards is not determined only by size. For example:

- The League cites the "2020 Virginia Credit Union Profile" which reported that over two thirds (71.8%) of credit unions with less than \$20 million in assets are profitable.<sup>30</sup>
- It is uncontested that a MSV credit union is estimated to have \$35 million in assets after five years, nearly twice the size of these small credit unions.<sup>31</sup>
- Several state-chartered credit unions that had less than \$50 million in assets in 2010 grew organically (*i.e.*, without a merger) over the last decade - both in terms of assets and equity.<sup>32</sup>
- When the two top CAMEL scores (which rate risks) - Ratings 1 and 2 - are added together, 72.9% of credit unions with assets under \$50 million have very positive CAMEL ratings.<sup>33</sup>

In addition, the evidence showed that shared service opportunities exist for Virginia's smaller credit unions:

- Any credit union can participate in the Shared Branching Network. A credit union does not have to become a shareholder of the service corporation to participate.<sup>34</sup>
- VACU provided no cost figures establishing that the Shared Branching would be cost prohibitive.<sup>35</sup>
- Small credit unions in Virginia already take advantage of the Shared Branching Network.<sup>36</sup>
- Credit unions typically outsource many facets of their operations to credit union service organizations, which may provide a wide range of services, including, but not limited to, those listed under 10 VAC5-40-60(G)(1)-(17).<sup>37</sup>

### Conclusion

Based on the foregoing, we find VACU has not established that "formation of a separate credit union by [MSV] is not practicable, or is not consistent with reasonable safety-and-soundness standards[.]" As such, pursuant to Code § 6.2-1328, we do not authorize MSV to join VACU's field of membership.<sup>38</sup> VACU's request is denied.

Accordingly, IT IS SO ORDERED, and this matter is DISMISSED.

<sup>30</sup> DN-41 (Miles Direct) at 19 *citing* 3<sup>rd</sup> Quarter of the 2020 Virginia Credit Union Profile; *see also* DN-42 (Miles Direct Exhibits) at Exhibit 21 (2019 Virginia Credit Union Profile).

<sup>31</sup> *See, e.g.*, Petitioners' Post Hearing Brief at 1, 37.

<sup>32</sup> Petitioners' Comments at 14-15 *citing* DN-45 (2010, 2014, 2019, 2020 BFI Annual Reports, "Selected Data for Virginia State Chartered Credit Unions").

<sup>33</sup> *See, e.g.*, Petitioners' Comments at 13.

<sup>34</sup> Petitioners' Post Hearing Brief at 31 *citing* Tr. 353, DN-5 (VACU Shared Branching) at 8.

<sup>35</sup> *See, e.g.*, Petitioners' Post Hearing Brief at 31.

<sup>36</sup> Petitioners' Comments at 19 *citing* DN-10 (CO-OP Shared Branching for Credit Unions –Virginia).

<sup>37</sup> Petitioners' Post-Hearing Brief at 32; Petitioners' Comments at 19-20 *citing* Tr. 829-833.

<sup>38</sup> Having found that VACU has not met its burden under Code § 6.2-1328, the Commission need not address the separate field of membership limitations encompassed within Code § 6.2-1327.

**CASE NO. BFI-2021-00047  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

NEWTOWN ROAD CHECK CASHERS, INC.,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Newtown Road Check Cashers, Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00051  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

SHREE OHMKAR, INC., D/B/A MARKET PLACE #3,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Shree Ohmkar, Inc., d/b/a Market Place #3 ("Defendant"), is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.



**CASE NO. BFI-2021-00052  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
ROUND HILL SHOPPING CENTER, INC.,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Round Hill Shopping Center, Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00053  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
J&H OH INC.,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that J&H Oh Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00054  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

IBTISAM, INC., D/B/A MR FOOD MART,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Ibtisam, Inc., d/b/a Mr Food Mart ("Defendant"), is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00055  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

LORENA ROJAS GONZALEZ, D/B/A LA JALICIENSE,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Lorena Rojas Gonzalez, d/b/a La Jaliciense ("Defendant"), is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00057  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

GAIL TEMPLE RHODES, D/B/A SOUTHSIDE M & S LAUNDRY,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Gail Temple Rhodes, d/b/a Southside M & S Laundry ("Defendant"), is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00058  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

UNITED GROCERY, LLC,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that United Grocery, LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00059  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

LA BODEGUITA HISPANA, INC.,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00061  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

VISION 2036, INC., D/B/A MILLER'S MARKET,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Vision 2036, Inc., d/b/a Miller's Market ("Defendant"), is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00062  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
ARCO IRIS LATINO MARKET III, INC.,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Arco Iris Latino Market III, Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00065  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
JEFFERSON CONVENIENCE MARKET INC.,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Jefferson Convenience Market Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00068  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

EL RINCON HISPANO, LLC,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that El Rincon Hispano, LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00069  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

SANDRA VALENCIA, D/B/A EL MERCADITO,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Sandra Valencia, d/b/a El Mercadito ("Defendant"), is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00071  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
GAGAN JOT INC.,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Gagan Jot Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00075  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
ARMANDO FLORES, D/B/A MAYA'S LATIN STORE,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Armando Flores, d/b/a Maya's Latin Store ("Defendant"), is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT :

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00076  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

SIMARM INC., D/B/A HIGH UP FOOD MART,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Simarm Inc., d/b/a High Up Food Mart ("Defendant"), is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00078  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

RADHEY INVESTMENT LLC,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Radhey Investment LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.



**CASE NO. BFI-2021-00079  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
LA CASITA LATINO MARKET INC.,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that La Casita Latino Market Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00083  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
Z. A. GORAYA LLC,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Z. A. Goraya LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00088  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

SANGHAVI BROS., INC.,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Sanghavi Bros., Inc. ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00091  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ATHAN & CANDY LLC,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Athan & Candy LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00094  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

EMMANUEL INVESTMENT, LLC,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Emmanuel Investment, LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00097  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

CAIRO MART LLC,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Cairo Mart LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00098  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

WONG PINEDA BY BANSY LLC,  
Defendant

**ORDER REVOKING REGISTRATION**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Wong Pineda by Bansy LLC ("Defendant") is registered to engage in business as a check casher under Chapter 21 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its 2021 annual registration fee, as required by § 6.2-2103 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant on October 18, 2021 of: (1) the Commissioner's intention to recommend revocation of Defendant's registration for failure to pay its annual registration fee; and (2) the requirement to file any written request for a hearing on or before November 18, 2021. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's registration to engage in business as a check casher.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to pay its annual registration fee as required by law and that Defendant's registration should be, and is hereby revoked.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's registration to engage in business as a check casher is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2021-00102  
APRIL 5, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

LEMONBREW TECHNOLOGIES CORP.,  
Defendant

**SETTLEMENT ORDER**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that LemonBrew Technologies Corp. ("Defendant") acquired 25% or more of the ownership of LemonBrew Lending Corp., d/b/a SD Capital Funding, a licensed mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"), without prior Commission approval in violation of § 6.2-1608 of the Code; and that upon receiving notice of the Commissioner's intent to recommend the imposition of a fine, the Defendant offered to settle this case by paying a fine in the sum of Five Thousand Dollars (\$5,000), tendered said sum to the Commonwealth of Virginia, and waived any right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's offer is accepted.
- (2) This case is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. BFI-2021-00108  
MARCH 10, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
HOME MORTGAGE ALLIANCE CORPORATION,  
Defendant

**SETTLEMENT ORDER**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Home Mortgage Alliance Corporation ("Defendant") is licensed to engage in business as a mortgage lender and mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); and that the Bureau of Financial Institutions ("Bureau") alleges that the Defendant: (i) operated from an unapproved address, in violation of § 6.2-1607 of the Code; (ii) used names in its advertisements other than the name set forth in its license and failed to disclose required information in its advertisements, in violation of 10 VAC 5-160-60 A 1, A 2, F, and H of the Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.* ("Rules"); (iii) failed to disclose the estimated processing time in writing to loan applicant(s), in violation of § 6.2-406 A 2 of the Code; (iv) failed to provide the Bureau with access to records, in violation of § 6.2-1611 of the Code; (v) failed to respond to Bureau requests in a timely manner, in violation of Rule 10 VAC 5-160-50 B; and (vi) failed to file mortgage call reports in a timely manner, in violation of Rule 10 VAC5-160-90 B.

Upon receiving notice of the Commissioner's intent to recommend the imposition of a civil penalty against the Defendant pursuant to § 6.2-1624 of the Code, the Defendant offered to settle this case by paying a civil penalty in the sum of Fifteen Thousand Dollars (\$15,000), tendered said sum to the Commonwealth of Virginia, and waived any right to a hearing in this case.

The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is accepted.
- (2) This case is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. BFI-2021-00109  
APRIL 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
TITAN MUTUAL LENDING INC. d/b/a ENTRUST FUNDING,  
Defendant

**SETTLEMENT ORDER**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Titan Mutual Lending Inc. d/b/a Entrust Funding ("Defendant"), is licensed to engage in business as a mortgage lender and mortgage broker under Chapter 16 of Title 6.2 (§ 6.2-1600 *et seq.*) of the Code of Virginia ("Code"); and that the Commission's Bureau of Financial Institutions ("Bureau") received complaints against the Defendant regarding its advertisements. The Bureau alleged in correspondence to the Defendant that the Defendant violated § 6.2-1614 (8)(a) of the Code and 10 VAC 5-160-60 A 1, A 2, A 3, A 4, C 1, D, F, and G of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.*

Upon receiving notice that the Commissioner intended to recommend the imposition of a civil penalty pursuant to § 6.2-1624 of the Code, the Defendant offered to settle this case by paying a civil penalty in the sum of Twenty-two Thousand Five Hundred Dollars (\$22,500), tendered said sum to the Commonwealth of Virginia, and waived any right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is accepted.
- (2) This case is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. BFI-2021-00111  
MARCH 4, 2022**

APPLICATION OF  
SOUTHERN BANCSHARES (N.C.), INC.

To acquire more than five percent of the voting shares of Old Point Financial Corporation

**ORDER**

On September 20, 2021, Southern BancShares (N.C.), Inc. ("Southern"), a North Carolina bank holding company, filed an application with the Virginia State Corporation Commission ("Commission") to acquire more than 5% percent of the Outstanding Voting Common Stock ("Common Stock") of Old Point Financial Corporation ("Old Point"),<sup>1</sup> a Virginia bank holding company ("Application"), pursuant to § 6.2-704 of the Code of Virginia ("Code").<sup>2</sup>

Section 6.2-704 of the Code provides that Southern's proposed acquisition could only occur if "the Commission does not disapprove the application" after conducting an investigation and making certain determinations pursuant to § 6.2-705 of the Code. As part of this investigation, the Commission must determine whether:

(1) The proposed acquisition would be detrimental to the safety and soundness of the applicant or of the Virginia financial institution or Virginia financial institution holding company that the applicant seeks to control or the stock of which is to be acquired;

(2) The applicant, its directors and officers, if applicable, and any proposed new directors and officers of the Virginia financial institution or Virginia financial institution holding company that the applicant seeks to control or the stock of which is to be acquired, are qualified by character, experience, and financial responsibility to control and operate a Virginia financial institution;

(3) The proposed acquisition would be prejudicial to the interests of the depositors, creditors, beneficiaries of fiduciary accounts, or shareholders of the applicant or of the Virginia financial institution holding company or any Virginia financial institution that the applicant seeks to control or the stock of which is to be acquired; and

(4) The acquisition is in the public interest.<sup>3</sup>

On November 19, 2021, the Commission issued an Order disapproving the Application ("Disapproval Order"), stating that "[b]ased on the information and assertions submitted by Southern and Old Point at this time, the Commission finds that the proposed acquisition would be prejudicial to the interests of the depositors, creditors, beneficiaries of fiduciary accounts, or shareholders of . . . any Virginia financial institution that the applicant seeks to control or the stock of which is to be acquired."<sup>4</sup>

On December 9, 2021, Southern filed a Petition for Reconsideration ("Petition for Reconsideration" or "Petition")<sup>5</sup> seeking reconsideration of the Disapproval Order.<sup>6</sup> On January 14, 2022, the Commission entered an Order ("January 14 Order") providing Old Point and other interested entities<sup>7</sup> an opportunity to be joined as respondents and respond to the Petition and directing the Commission's Bureau of Financial Institutions ("Bureau") to file a report ("Report") setting forth its position. The January 14 Order also allowed Southern to file a reply to any response to the Petition or the Bureau's Report. As such, Old Point filed a response to the Petition ("Response") on January 26, 2022, the Bureau filed its Report on February 2, 2022, and Southern filed its reply on February 9, 2022 ("Reply," with the Petition, Response, Report, and Reply collectively being the "Pleadings").<sup>8</sup> Each of the Pleadings attached exhibits that were also submitted into the record in this matter without objection.

NOW THE COMMISSION, upon reconsideration of this matter, finds that the Application satisfies the provisions of § 6.2-705 of the Code if approval thereof is subject to specific limiting conditions, to which Southern expressly committed and requested as part of its Petition for Reconsideration.

Specifically, Southern represented and committed that:

(a) Southern's proposed investment in Old Point is passive;

<sup>1</sup> Southern also sought approval of its proposed acquisition from the Federal Reserve Board. See 86 Fed. Reg. 53,056 (September 24, 2021).

<sup>2</sup> See Case No. BAN20210165.

<sup>3</sup> Va. Code § 6.2-705 A.

<sup>4</sup> November 19, 2021 Disapproval Order, Matter No. BAN20210165. Pursuant to Code § 6.2-705, the Commission had 60 days to rule on the Application.

<sup>5</sup> See Petition, Doc. Con. Cen. No. 211220056. The Petition also sought suspension of the Disapproval Order pending its reconsideration. The Commission's December 10, 2021 Order in this matter ("Suspension Order") suspended the Disapproval Order. See Suspension Order, Doc. Con. Cen. No. 211220105.

<sup>6</sup> See Case No. BAN20210165.

<sup>7</sup> No other individuals or entities asked to be joined as respondents in this matter.

<sup>8</sup> On February 9, 2022, the North Carolina Commissioner of Banks, Katherine M.R. Bosken, filed a Motion for Leave to File Comment ("Comments") with the Commission. See Doc. Con. Cen. No. 220220064. The Commission will allow those Comments to be submitted and accepted into the record. However, the Commission has not relied upon the Comments as a basis for its analysis herein.

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- (b) Southern wishes to acquire and hold the Old Point stock for investment purposes – just as it holds shares of other financial institutions;
- (c) Southern has no plans to seek to influence or impede the management, operations, or policies of Old Point; and
- (d) Southern has no current plans to seek to elect a director of Old Point or Old Point National Bank ("Old Point Bank"); to influence the management or policies of Old Point or Old Point Bank, or to seek to acquire Old Point.<sup>9</sup>

Importantly, Southern further argued that, pursuant to Code § 6.2-705, the Commission may condition any approval on such commitments, which also would require Southern to file a new application with the Commission if it subsequently seeks to modify those commitments.<sup>10</sup> Based on these considerations, the Commission finds that the Application satisfies the statute if approval is made subject to the requirements ordered herein.

Accordingly, IT IS ORDERED THAT:

- (1) The Disapproval Order is hereby vacated.
- (2) The Application is approved pursuant to Code §§ 6.2-704 and 6.2-705, subject to the requirements ordered herein.
- (3) Southern shall comply with the following commitments:
  - (a) Southern's investment in Old Point shall be passive;
  - (b) Southern shall acquire and hold the Old Point stock for investment purposes;
  - (c) Southern shall not seek to influence or impede the management, operations, or policies of Old Point; and
  - (d) Southern shall not seek to elect a director of Old Point or Old Point Bank, and shall not seek to influence the management or policies of Old Point or Old Point Bank, or to seek to acquire Old Point.
- (4) Southern shall file an appropriate application with, and receive approval from, the Commission prior to modifying any of the above ordered commitments.
- (5) This case is dismissed.

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<sup>9</sup> Petition at 12. *See also* Reply at 5.

<sup>10</sup> Petition at 13. *See also* Reply at 6.

**CASE NO. BFI-2021-00112  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Jonathan Cave

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Jonathan Cave, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Jonathan Cave shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2021-00113  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Anthony Corkill

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Anthony Corkill, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Anthony Corkill shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2021-00114  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Danyelle Drenk

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Danyelle Drenk, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time she entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Danyelle Drenk shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.



**CASE NO. BFI-2021-00115  
JANUARY 25, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Timothy Matthews

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Timothy Matthews, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time the conduct addressed in the Agreement occurred. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Timothy Matthews shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2021-00116  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Kimberly Rojas

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Kimberly Rojas, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time she entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Kimberly Rojas shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2021-00117  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Britney Velasquez

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Britney Velasquez, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time she entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Britney Velasquez shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2021-00118  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Timothy Williams

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Timothy Williams, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Timothy Williams shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2021-00119  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Erik Board

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Erik Board, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Erik Board shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2021-00120  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Peter DiFerdinand

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Peter DiFerdinand, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Peter DiFerdinand shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2021-00121  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Robert Drenk

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Robert Drenk, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Robert Drenk shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2021-00122  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: James Kott

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and James Kott, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) James Kott shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2021-00123  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Samuel Stamper

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Samuel Stamper, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Samuel Stamper shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00001  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Rodrigo Ballon

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Rodrigo Ballon, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Rodrigo Ballon shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00002  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Ali Borazjani

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Ali Borazjani, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Ali Borazjani shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00003  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Christoffer Groves

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Christoffer Groves, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Christoffer Groves shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00004  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Michael Hamalak

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Michael Hamalak, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Michael Hamalak shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00005  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Kevin Heckemeyer

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Kevin Heckemeyer, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Kevin Heckemeyer shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00006  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Vance Hivoral

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Vance Hivoral, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Vance Hivoral shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00007  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Gregory Kaczmariski

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Gregory Kaczmariski, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Gregory Kaczmariski shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.



**CASE NO. BFI-2022-00008  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Xuan Duy Nguyen

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Xuan Duy Nguyen, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Xuan Duy Nguyen shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00009  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Casey Peek

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Casey Peek, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Casey Peek shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00010  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Larry Resnik

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Larry Resnik, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Larry Resnik shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00011  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Brian Santos

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Brian Santos, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Brian Santos shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00012  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Kelly Schaar

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Kelly Schaar, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time she entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Kelly Schaar shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00013  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Joseph Shalaby

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Joseph Shalaby, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Joseph Shalaby shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00014  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Montee Skorich

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Montee Skorich, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Montee Skorich shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00015  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Jason Soldati

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Jason Soldati, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Jason Soldati shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00016  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Michael Barrios

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Michael Barrios, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Michael Barrios shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00017  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Brian Brown

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Brian Brown, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Brian Brown shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00018  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Robert Hostetler

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Robert Hostetler, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Robert Hostetler shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00019  
JANUARY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Nathan Kowarsky

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Nathan Kowarsky, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Nathan Kowarsky shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00022  
JANUARY 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: Chad Baker

**ORDER APPROVING SETTLEMENT AGREEMENT**

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between regulatory agencies of various states and Chad Baker, a licensed mortgage loan originator under Chapter 17 of Title 6.2 of the Code of Virginia at the time he entered into the Agreement. The Commissioner has recommended that the Commission: (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Agreement should be approved, accepted, and its terms incorporated herein. The Commission further finds that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved and accepted, and the terms of the Agreement are incorporated herein.
- (2) Chad Baker shall abide by the terms of the Agreement as incorporated herein.
- (3) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

**CASE NO. BFI-2022-00025  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In re: annual fees paid by debt settlement services providers under Chapter 20.1 of Title 6.2 of the Code of Virginia

**ORDER**

Section 6.2-2038 A of the Code of Virginia ("Code") provides that to defray the costs of their examination, supervision, and regulation, every debt settlement services provider that is licensed under Chapter 20.1 of Title 6.2 of the Code ("licensee") shall pay an annual fee calculated in accordance with a schedule set by the State Corporation Commission ("Commission"). The Commission has prescribed a schedule for the assessment of annual fees, which became effective on December 15, 2021, and is set forth in 10 VAC 5-230-40 of the Commission's rules governing Debt Settlement Services Providers, 10 VAC 5-230-10 *et seq.* ("Rules").

Based on the costs incurred by the Commission's Bureau of Financial Institutions in connection with its examination, supervision, and regulation of licensees through December 31, 2021,<sup>1</sup> the Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission exercise its discretion under Rule 10 VAC 5-230-80 to waive the schedule of annual fees in Rule 10 VAC 5-230-40 for the 2022 annual assessment only. The Commissioner has further recommended that all licensees pay an annual fee of zero dollars (\$0) for the 2022 annual assessment.<sup>2</sup>

NOW THE COMMISSION, having considered the Commissioner's recommendation and certain financial and operating information offered in support of such recommendation, is of the opinion and finds that the proposed waiver should be approved and that all licensees should pay an annual fee of zero dollars (\$0) for the 2022 annual assessment only.

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Rule 10 VAC 5-230-80, the schedule of annual fees prescribed in Rule 10 VAC 5-230-40 is waived for the 2022 annual assessment.
- (2) Every licensee shall pay an annual fee of zero dollars (\$0) for the 2022 annual assessment.
- (3) Notwithstanding the waiver authorized herein, Rule 10 VAC 5-230-40 shall remain in full force and effect.

<sup>1</sup> Chapter 20.1 of Title 6.2 of the Code became effective on July 1, 2021.

<sup>2</sup> Annual fees owed pursuant to the 2022 annual assessment are due by July 1, 2022. This is the first assessment year since Chapter 20.1 of Title 6.2 of the Code went into effect.

**CASE NO. BFI-2022-00026**  
**MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte*: In re: annual fees paid by qualified education loan servicers under Chapter 26 of Title 6.2 of the Code of Virginia

**ORDER**

Section 6.2-2614 A of the Code of Virginia ("Code") provides that to defray the costs of their examination, supervision, and regulation, every qualified education loan servicer that is licensed under Chapter 26 of Title 6.2 of the Code ("licensee") shall pay an annual fee calculated in accordance with a schedule set by the State Corporation Commission ("Commission"). The Commission has prescribed a schedule for the assessment of annual fees, which became effective on October 1, 2021, and is set forth in 10 VAC 5-220-80 of the Commission's rules governing Qualified Education Loan Servicers, 10 VAC 5-220-10 *et seq.* ("Rules").

Based on the costs incurred by the Commission's Bureau of Financial Institutions in connection with its examination, supervision, and regulation of licensees through December 31, 2021,<sup>1</sup> the Commissioner of Financial Institutions ("Commissioner") has recommended that the Commission exercise its discretion under Rule 10 VAC 5-220-90 to waive the schedule of annual fees in Rule 10 VAC 5-220-80 for the 2022 annual assessment only. The Commissioner has further recommended that all licensees pay an annual fee of zero dollars (\$0) for the 2022 annual assessment.<sup>2</sup>

NOW THE COMMISSION, having considered the Commissioner's recommendation and certain financial and operating information offered in support of such recommendation, is of the opinion and finds that the proposed waiver should be approved and that all licensees should pay an annual fee of zero dollars (\$0) for the 2022 annual assessment only.

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Rule 10 VAC 5-220-90, the schedule of annual fees prescribed in Rule 10 VAC 5-220-80 is waived for the 2022 annual assessment.
- (2) Every licensee shall pay an annual fee of zero dollars (\$0) for the 2022 annual assessment.
- (3) Notwithstanding the waiver authorized herein, Rule 10 VAC 5-220-80 shall remain in full force and effect.

<sup>1</sup> Chapter 26 of Title 6.2 of the Code became effective on July 1, 2021.

<sup>2</sup> Annual fees owed pursuant to the 2022 annual assessment are due by May 1, 2022. This is the first assessment year since Chapter 26 of Title 6.2 of the Code went into effect.

**CASE NO. BFI-2022-00029**  
**MAY 10, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
EFFORTLESS HOLDINGS, INC.,  
Defendant

**SETTLEMENT ORDER**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Effortless Holdings, Inc. ("Defendant") acquired 25% or more of the ownership of Princeton Mortgage Corporation, a licensed mortgage lender under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"), without prior Commission approval in violation of § 6.2-1608 of the Code; and that upon receiving notice of the Commissioner's intent to recommend the imposition of a fine, the Defendant offered to settle this case by paying a fine in the sum of Five Thousand Dollars (\$5,000), tendered said sum to the Commonwealth of Virginia, and waived any right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's offer is accepted.
- (2) This case is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.



**CASE NO. BFI-2022-00035**  
**MAY 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the Matter of Adopting Regulations Governing Sales-Based Financing under Chapter 22.1 of Title 6.2 of the Code of Virginia

**ORDER TO TAKE NOTICE**

Chapter 516 of the 2022 Virginia Acts of Assembly amends the Code of Virginia ("Code") by adding Chapter 22.1 to Title 6.2 (§ 6.2-2228 *et seq.*) ("Chapter 22.1"). Chapter 22.1 requires, among other things, certain sales-based financing providers and sales-based financing brokers to register with the State Corporation Commission ("Commission") in accordance with procedures established by the Commission, and requires sales-based financing providers subject to Chapter 22.1 to furnish certain disclosures to recipients of sales-based financing in accordance with formatting prescribed by the Commission. Chapter 22.1 will become effective on July 1, 2022, and the deadline for registering with the Commission is November 1, 2022. Section 6.2-2237 of the Code authorizes the Commission to adopt such regulations as it deems appropriate to effect the purposes of Chapter 22.1.

The Bureau of Financial Institutions ("Bureau") has submitted to the Commission proposed regulations pursuant to § 6.2-2237 of the Code that define certain terms, require sales-based financing providers and sales-based financing brokers to register with the Commission in accordance with procedures established by the Commissioner of Financial Institutions, and effectuate the disclosure requirements of § 6.2-2231 of the Code. The proposal also contains the disclosure form that sales-based financing providers will be required to use.

NOW THE COMMISSION, having considered the Bureau's proposal, is of the opinion and finds that reasonable notice of the proposed regulations should be given, interested parties should be afforded an opportunity to be heard in accordance with the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, and the proposed regulations should be considered for adoption with a proposed effective date of July 1, 2022.

Accordingly, IT IS ORDERED THAT:

- (1) The proposed regulations and disclosure form are attached hereto and made a part hereof.
- (2) Comments or requests for a hearing on the proposed regulations or disclosure form must be submitted in writing to the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before June 6, 2022. Requests for a hearing shall state why a hearing is necessary and why the issues cannot be adequately addressed in written comments. All correspondence shall contain a reference to Case No. BFI-2022-00035. Interested persons desiring to submit comments or request a hearing electronically may do so by following the instructions available at the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments).
- (3) The Bureau shall file its response to any comments filed pursuant to Ordering Paragraph 2 on or before June 15, 2022.
- (4) This Order, along with the attached proposed regulations and disclosure form, shall be made available on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (5) The Commission's Division of Information Resources shall provide a copy of this Order, the proposed regulations, and the disclosure form to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

NOTE: A copy of the attachment entitled "Chapter 240 Sales Based Financing" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. BFI-2022-00035**  
**JUNE 30, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the Matter of Adopting Regulations Governing Sales-Based Financing under Chapter 22.1 of Title 6.2 of the Code of Virginia

**ORDER**

On May 4, 2022, the State Corporation Commission ("Commission") entered an Order to Take Notice of a proposal by the Bureau of Financial Institutions ("Bureau") to adopt regulations pursuant to Chapter 22.1 of Title 6.2 (§ 6.2-2228 *et seq.*) of the Code of Virginia ("Chapter 22.1"). The proposal also contained proposed formatting for a disclosure form that sales-based financing providers would be required to give to sales-based financing recipients pursuant to § 6.2-2231 of the Code of Virginia ("Code"). Chapter 22.1 will become effective on July 1, 2022.

The Order to Take Notice, proposed regulations, and proposed formatting for the disclosure form were published in the *Virginia Register of Regulations* on May 23, 2022, posted on the Commission's website, and sent to all known interested persons. The Order to Take Notice invited all interested persons to participate and required that any comments or requests for a hearing on the proposed regulations or disclosure form be submitted in writing on or before June 6, 2022. The Order to Take Notice also required the Bureau to file its response to any comments filed on or before June 15, 2022.

Comments on the proposed regulations and disclosure form were timely filed by the Small Business Finance Association, the Revenue Based Finance Coalition, the Electronic Transactions Association, Forward Financing LLC, and PayPal, Inc. The Commission did not receive any requests for a hearing.

On June 15, 2022, the Bureau filed an Initial Response to Comments ("Initial Response") with the Clerk of the Commission. In its Initial Response, the Bureau responded only to the comments pertaining to the proposed effective date of the regulations and the formatting for the disclosure form. The Bureau recommended, among other things, that the Commission temporarily authorize sales-based financing providers to use either the disclosure form that was appended to the Order to Take Notice or any disclosure form of their choosing provided that it contains all of the information specified in § 6.2-2231 of the Code and otherwise complies with Chapter 22.1.

NOW THE COMMISSION, having considered this matter, finds that the adoption of the proposed regulations should be postponed. The Commission also finds that sales-based financing providers should be permitted temporarily to use either the proposed formatting for the disclosure form that was appended to the Order to Take Notice or any formatting of the disclosure form of their choosing provided that it contains all of the information specified in § 6.2-2231 of the Code and otherwise complies with Chapter 22.1.

Accordingly, IT IS ORDERED THAT:

- (1) The adoption of the proposed regulations is postponed, pending further order of the Commission.
- (2) Pending further order of the Commission, sales-based financing providers may use either the formatting for the disclosure form that was appended to the Order to Take Notice or any formatting for the disclosure form of their choosing provided that it contains all of the information specified in § 6.2-2231 of the Code and otherwise complies with Chapter 22.1.

**CASE NO. BFI-2022-00035  
SEPTEMBER 21, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the Matter of Adopting Regulations Governing Sales-Based Financing under Chapter 22.1 of Title 6.2 of the Code of Virginia

**ORDER ADOPTING REGULATIONS**

On May 4, 2022, the State Corporation Commission ("Commission") entered an Order to Take Notice of a proposal by the Bureau of Financial Institutions ("Bureau") to adopt regulations pursuant to Chapter 22.1 of Title 6.2 (§ 6.2-2228 *et seq.*) of the Code of Virginia ("Chapter 22.1"). The Bureau's proposal also contained proposed formatting for a disclosure form ("Disclosure Form") that sales-based financing providers are required to give to sales-based financing recipients pursuant to § 6.2-2231 of the Code of Virginia ("Code"). Chapter 22.1 establishes registration and other requirements for sales-based financing providers and sales-based financing brokers. Chapter 22.1 became effective on July 1, 2022, and the deadline for registering with the Commission is November 1, 2022. The instant regulations implement Chapter 22.1 by, among other things, defining certain terms and effectuating the disclosure requirements of § 6.2-2231 of the Code.

The Order to Take Notice, proposed regulations, and Disclosure Form were published in the *Virginia Register of Regulations* on May 23, 2022, posted on the Commission's website, and sent to interested persons. The Order to Take Notice invited all interested persons to participate and required that any comments or requests for a hearing on the proposed regulations or Disclosure Form be submitted in writing on or before June 6, 2022.

Comments on the proposed regulations and Disclosure Form were timely filed by the Small Business Finance Association; the Revenue Based Finance Coalition; the Electronic Transactions Association; Forward Financing LLC; and PayPal, Inc. The Commission did not receive any requests for a hearing.

On June 15, 2022, the Bureau filed an Initial Response to Comments in which it recommended that the Commission: (1) temporarily postpone the adoption of the proposed regulations; (2) temporarily authorize sales-based financing providers to use either the Disclosure Form or any disclosure form of their choosing provided that it contained all of the information specified in § 6.2-2231 of the Code and otherwise complied with Chapter 22.1; and (3) permit the Bureau to file a supplemental response to the comments by July 27, 2022. Through its June 30, 2022 and July 26, 2022 Orders,<sup>1</sup> the Commission: postponed the adoption of the regulations; authorized sales-based financing providers, pending further Commission order, to use either the formatting for the disclosure form that was appended to the Order to Take Notice or any formatting for the disclosure form of their choosing provided that it contained all of the information specified in § 6.2-2231 of the Code and otherwise complied with Chapter 22.1; and permitted the Bureau to file a supplemental response to comments by July 27, 2022.

On July 27, 2022, the Bureau filed its Supplemental Response to Comments ("Supplemental Response"). In its Supplemental Response, the Bureau further responded to the filed comments and also recommended that the Commission amend various sections of the proposed regulations and the proposed formatting for the Disclosure Form.

NOW THE COMMISSION, having considered this matter, finds that the proposed regulations and proposed formatting for the Disclosure Form should be amended to incorporate the specific changes the Bureau recommended in its Supplemental Response, with one exception. We decline to fully adopt the Bureau's recommended definition of the term "sales-based financing broker" or "broker" in proposed Rule 10 VAC 5-240-10 A. Rather, to make clear that the Rule seeks only to clarify the statutory definition of "sales-based financing broker" or "broker," the Bureau's proposed addition to Rule 10 VAC 5-240-10 A shall be modified by changing "except" to "with clarification." The Commission finds that the modified proposed regulations should be adopted effective October 1, 2022.

<sup>1</sup> See Doc. Con. Cen. Nos. 220660030 and 220730153.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Further, sales-based financing providers should be required to use the formatting for the Disclosure Form, as modified herein and attached hereto ("Modified Disclosure Form"), beginning one-hundred and twenty (120) days from the date of entry of this Order. In the interim, sales-based financing providers should be permitted to use either the formatting for the Modified Disclosure Form attached hereto or any formatting for the disclosure form of their choosing provided that it contains all of the information specified in § 6.2-2231 of the Code and otherwise complies with Chapter 22.1. The Commission expresses appreciation to all those who submitted written comments.

Accordingly, IT IS ORDERED THAT:

- (1) The proposed regulations, as modified herein and attached hereto, are adopted effective October 1, 2022.
- (2) Sales-based financing providers shall use the formatting for the Modified Disclosure Form attached hereto beginning one-hundred and twenty (120) days from the date of entry of this Order. In the interim, sales-based financing providers may use either the formatting for the Modified Disclosure Form or any formatting for the disclosure form of their choosing provided that it contains all of the information specified in § 6.2-2231 of the Code and otherwise complies with Chapter 22.1.
- (3) This Order, the attached regulations, and the attached Modified Disclosure Form shall be made available on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (4) The Commission's Office of General Counsel shall provide a copy of this Order, the regulations, and the Modified Disclosure Form to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.
- (5) This case is dismissed.

NOTE: A copy of the attachment entitled "Chapter 240 Sales-Based Financing" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. BFI-2022-00066  
JULY 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
BGW MORTGAGE LLC,  
Defendant

**ORDER REVOKING A LICENSE**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that BGW Mortgage LLC ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant has repeatedly failed to deliver records, information, and documentation that the Bureau of Financial Institutions ("Bureau") has requested in order to conduct examinations of the Defendant, in violation of 10 VAC 5-160-50 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.* ("Rules"); and that the Defendant has repeatedly refused to permit examinations by the Commission, which is a ground for license revocation under § 6.2-1619 A 10 of the Code.

The Commissioner has further reported that the Defendant has failed to file at least a dozen of its quarterly mortgage call reports as well as its 2020 Annual Standard Financial Condition report by the required due dates for these reports, in violation of 10 VAC 5-160-90 B of the Commission's Rules; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on June 10, 2022 of: (1) the Commissioner's intention to recommend revocation of the Defendant's license, and (2) the requirement to submit a written request for a hearing, if desired, on or before July 11, 2022. As of the date of this Order, the Defendant has not requested a hearing in this matter. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage broker.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that: (i) the Defendant has repeatedly failed to deliver records, information, and documentation that the Bureau has requested in order to conduct examinations of the Defendant, in violation of 10 VAC 5-160-50 B of the Commission's Rules; (ii) the Defendant has repeatedly refused to permit examinations by the Commission, which is a ground for license revocation under § 6.2-1619 A 10 of the Code; and (iii) the Defendant has failed to file at least a dozen of its quarterly mortgage call reports as well as its 2020 Annual Standard Financial Condition report by the required due dates for these reports, in violation of 10 VAC 5-160-90 B of the Commission's Rules.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's license to engage in business as a mortgage broker is hereby revoked.
- (2) This case is dismissed

**CASE NO. BFI-2022-00067  
DECEMBER 12, 2022**

PWC EMPLOYEES CREDIT UNION,  
Petitioner,

v.

VIRGINIA BUREAU OF FINANCIAL INSTITUTIONS and E. JOSEPH FACE, JR., COMMISSIONER OF FINANCIAL INSTITUTIONS,  
Respondents.

**SETTLEMENT ORDER**

On June 8, 2022, P.W.C. Employees Credit Union ("PWC" or "Petitioner") filed a Petition for Declaratory Judgment and Other Relief ("Petition")<sup>1</sup> in the Office of the Clerk pursuant to the State Corporation Commission's ("Commission") Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules"), 5 VAC 5-20-100 B and 100 C, naming the Virginia Bureau of Financial Institutions and Commissioner of Financial Institutions, E. Joseph Face, Jr. (collectively, the "Bureau") as respondents.

PWC is a state-chartered credit union, operating under Virginia law,<sup>2</sup> including Chapter 13 of Title 6.2, § 6.2-1300 *et seq.* ("Chapter 13") of the Code of Virginia ("Code"). Following the Bureau's examination of PWC pursuant to § 6.2-1309 of the Code and the resulting May 3, 2021 Report of Examination, the Bureau found that PWC's purchase of certain investments ("Investments") was impermissible and violated § 6.2-1376 of the Code.<sup>3</sup> The Investments at issue included: (a) corporate stock; (b) corporate bonds; and (c) bank notes. Though PWC sold the corporate stock in or around May 2021, the Bureau directed PWC to sell the remaining Investments by June 30, 2022 and December 30, 2022 ("Bureau Directive").<sup>4</sup>

In its Petition, PWC asserts that the Bureau erroneously determined that the Investments were impermissible under Chapter 13<sup>5</sup> and that PWC would be harmed if required to sell the Investments by June 30, 2022 and December 30, 2022, pursuant to the Bureau Directive.<sup>6</sup> Accordingly, among other relief, PWC asks the Commission to grant declaratory judgment that PWC is not required to sell the Investments by June 30, 2022 and December 30, 2022, as referenced in the Bureau Directive, and to allow PWC to hold the Investments until maturity.

On June 27, 2022, the Commission issued an Order that, among other things, ruled that PWC was not required to divest the Investments on June 30, 2022, or thereafter, pending further order of the Commission to the contrary.<sup>7</sup> On September 29, 2022, the Commission issued a subsequent Order that, among other things, assigned the matter to a Hearing Examiner to conduct further proceedings, including to convene a hearing, and to issue a final report containing the Hearing Examiner's findings and recommendations.<sup>8</sup>

On December 5, 2022, the Bureau filed a Motion for Ruling Recommending Entry of Settlement Order and to Cancel Hearing Date ("Motion").<sup>9</sup> The Bureau indicates in its Motion that the Petitioner has made an offer to settle the issues raised by the Petition and the Bureau's directives to divest the remaining Investments. The terms of the settlement reached between the Bureau and PWC are summarized in a proposed Settlement Order ("Proposed Order") attached to the Motion. The Motion also includes a Consent to Settlement, executed by the Petitioner's representative.

On December 7, 2022, the Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report").<sup>10</sup> In the Report, the Hearing Examiner finds that the Motion should be granted, cancels the hearing, and recommends that the Commission enter an order adopting the terms of the Proposed Order. Given the proposed settlement, the Hearing Examiner did not provide an opportunity for comments to the Report.

The Proposed Order contains the following settlement terms. As a proposal to resolve the issues raised by the Petition, and to address the Bureau's concerns regarding the Investments, PWC has made an offer of settlement to the Commission encompassing the following terms:

(1) PWC acknowledges that corporate bonds, corporate stock, bank notes and other investments not expressly enumerated by § 6.2-1376 of the Code are impermissible investments for it, as a state-chartered credit union, to purchase, hold, or maintain, unless prior written approval is obtained from the Commissioner of Financial Institutions for the purchase of such investments.

<sup>1</sup> Doc. Con. Cen. No. 220620003 (public version).

<sup>2</sup> See Petition ¶ 1. PWC was formed in 1971 by employees in Prince William County, Virginia. See [www.pwcecu.org](http://www.pwcecu.org).

<sup>3</sup> See Petition ¶¶ 5, 24.

<sup>4</sup> See Petition ¶¶ 5 and 26 and p. 12. See also Petition p. 5, fn 1.

<sup>5</sup> See Petition ¶¶ 21-23.

<sup>6</sup> See Petition ¶¶ 5, 20, 24.

<sup>7</sup> Doc. Con. Cen. No. 220650022.

<sup>8</sup> Doc. Con. Cen. No. 220930209.

<sup>9</sup> Doc. Con. Cen. No. 221210142.

<sup>10</sup> Doc. Con. Cen. No. 221210206.

(2) PWC shall be allowed to hold until maturity any currently held Investment<sup>11</sup> that is designated as of the date of this Order with a Standard and Poor's ("S&P") rating of A- or higher, as long as such Investment maintains its S&P rating of A- or higher. PWC shall also be allowed to hold until maturity any currently held Investment that is designated as of the date of this Order with a S&P rating of BBB, as long as such Investment maintains a S&P rating of BBB or higher. PWC shall provide the Bureau with a monthly report by the third business day of every month identifying every Investment in its portfolio and the most recent S&P rating for each Investment. PWC shall be required to divest itself of any Investment that falls below the applicable S&P rating identified above within 7 calendar days of when the Investment ceases to meet this threshold. Nothing herein shall require PWC to hold any Investment until maturity, nor be deemed an admission by the Bureau, the Commissioner of Financial Institutions or the Commission that the Investments were or are permissible pursuant to § 6.2-1376 of the Code.

(3) PWC will retain an independent third-party compliance consultant ("Compliance Consultant"). The selection of the Compliance Consultant, as well as the terms of the agreement between PWC and the Compliance Consultant, shall be subject to approval by the Bureau in advance of the Compliance Consultant's engagement. PWC shall provide the name of its proposed Compliance Consultant to the Bureau no later than 14 calendar days after the entry of this Order.

(4) PWC, with input from the Compliance Consultant, will review its current investment and investment strategy compliance program(s) and procedures and revise such program(s) and procedures so that they are reasonably designed to ensure compliance with the requirements of § 6.2-1376 of the Code. As part of this process, PWC, with input from the Compliance Consultant, will implement an investment compliance program ("Program"), which will include the following requirements:

- (a) The Program shall be developed within 45 days of the later of the Bureau's approval of the Compliance Consultant or the entry of this Order, and then remain in effect for the entire period during which PWC holds any Investment identified in paragraph (2) (and its related footnote) above. The Program also shall be revised, modified or updated as appropriate in consultation with the Compliance Consultant. During this period, PWC shall provide the Bureau with the reports identified in paragraph (2) above, as well as any and all report(s) prepared for PWC by any third-party professional, including but not limited to, investment advisors, accountants or other advisors, regarding or relating to PWC's investments pursuant to or compliance with § 6.2-1376 of the Code.
- (b) The Program shall address PWC's internal investment policies and procedures, its strategic plan and budget with respect to investment goals and objectives, and anticipated revenues, projected income and expenses related to its investment goals. The Program shall encompass compliance with § 6.2-1376 of the Code and also address any risk factors related to PWC's investment portfolio and financial projections.
- (c) PWC will require its Compliance Consultant to conduct and prepare an initial written assessment of PWC and its policies and procedures addressing the matters identified in paragraph (4)(b) above, which must be completed within 45 days of the later of the Bureau's approval of the Compliance Consultant or the entry of this Order. Subsequently, the Compliance Consultant will conduct a quarterly review of PWC's progress in addressing the matters identified in paragraph (4)(b) above pursuant to an agreed-upon plan of review approved in advance by the Bureau. At the conclusion of each quarter, the Compliance Consultant will prepare an appropriate quarterly review report detailing the following: (i) PWC's compliance with the matters identified in paragraph (4)(b) above, (ii) actions taken by PWC to promote compliance with these matters, (iii) any concerns with PWC's compliance with these matters, (iv) any corrective action recommended or taken, and (v) any other information specified by the Bureau. It is PWC's responsibility to ensure that the reports are submitted to the Bureau within 15 business days after the conclusion of the related quarter.
- (d) In each quarterly review report, the Compliance Consultant will identify any deficiencies found (whether initially found by the Compliance Consultant or by PWC) and recommend a resolution for the deficiency and a time frame in which any such deficiency should be remediated. PWC will remediate any deficiency identified in a quarterly review report within the recommended time frame. If PWC does not believe it can remediate the deficiency within the recommended time frame, it shall propose an alternative time frame to the Compliance Consultant and Bureau, which must ultimately be approved by the Bureau in consultation with the Compliance Consultant.
- (e) At the end of the time period identified in paragraph (4)(a) above, the Compliance Consultant will prepare a final report summarizing its findings and recommendations. It is PWC's responsibility to ensure that the final report is submitted to the Bureau within 15 business days after the end of the time period identified in paragraph (4)(a) above.
- (f) PWC shall promptly provide the Compliance Consultant access to all information and data in the possession or control of PWC or its agents, board members, and other professional consultants (i.e., financial advisors, accountants, etc.) that the Compliance Consultant deems necessary. PWC will cooperate and consult with the Compliance Consultant as deemed necessary by the Compliance Consultant.
- (g) During the time the Program is in place, PWC shall not be required to seek and obtain approval from the Bureau to purchase certificates of deposit or obligations backed by the federal government, the Commonwealth of Virginia, or any political subdivision thereof. However, PWC shall be required to seek and obtain prior written approval from the Bureau to purchase any other investment, regardless of whether such approval is otherwise required by § 6.2-1376 of the Code.

(5) Nothing in this Order shall be construed as a waiver of, or restriction upon, the authority of the Bureau, the Commissioner of Financial Institutions, or the Commission to regulate and supervise PWC in accordance with Title 6.2 of the Code.

<sup>11</sup> The Commission understands that PWC has provided the Bureau with a listing of the Investments at issue and for which PWC sought relief pursuant to the Petition.

(6) If PWC fails to comply with any of the foregoing terms and undertakings, or violates any provisions of Title 6.2 of the Code or other laws applicable to the conduct of its business, the Commission reserves the right to take whatever action it deems appropriate to the extent permitted by law, including, but not limited to, instituting a show cause proceeding under § 12.1-33 of the Code, or invoking other remedies authorized or supported by Title 6.2 of the Code based upon such failure to comply with this Order, Title 6.2 of the Code, or applicable other laws.

The Bureau has recommended that the Commission accept PWC's offer of settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the terms of PWC's settlement offer, as set forth herein, should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) PWC's offer of settlement is hereby accepted.
- (2) PWC shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of PWC's failure to comply with any of the terms and undertakings of this settlement or any provision of Titles 6.2 or 12.1 of the Code.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. BFI-2022-00069  
OCTOBER 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

EXTRAORDINARY MORTGAGE COMPANY,  
Defendant

**ORDER REVOKING A LICENSE**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Extraordinary Mortgage Company ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant repeatedly failed to deliver records, information, and documentation that the Bureau of Financial Institutions ("Bureau") requested in order to conduct an examination of the Defendant, in violation of 10 VAC 5-160-50 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.* ("Rules"); and that the Defendant failed to pay its 2022 annual fee, which was due on or before May 25, 2022, in violation of § 6.2-1612 B of the Code.

The Commissioner has further reported that the Defendant failed to file three of its 2021 quarterly mortgage call reports as well as its 2021 Annual Standard Financial Condition report by the required due dates for these reports, in violation of 10 VAC 5-160-90 B of the Commission's Rules; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 28, 2022, of: (1) the Commissioner's intention to recommend revocation of the Defendant's license, and (2) the requirement to submit a written request for a hearing, if desired, on or before August 29, 2022. As of the date of this Order, the Defendant has not requested a hearing in this matter. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage broker.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that: (i) the Defendant repeatedly failed to deliver records, information, and documentation that the Bureau requested in order to conduct an examination of the Defendant, in violation of 10 VAC 5-160-50 B of the Commission's Rules; (ii) the Defendant failed to pay its 2022 annual fee, which was due on or before May 25, 2022, in violation of § 6.2-1612 B of the Code; and (iii) the Defendant failed to file three of its 2021 quarterly mortgage call reports as well as its 2021 Annual Standard Financial Condition report by the required due dates for these reports, in violation of 10 VAC 5-160-90 B of the Commission's Rules.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's license to engage in business as a mortgage broker is hereby revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2022-00071  
OCTOBER 14, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
RELO GROUP, INC.,  
Defendant

**SETTLEMENT ORDER**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Relo Group, Inc. ("Defendant") acquired 25% or more of the ownership of Premia Mortgage, LLC, d/b/a Premia Relocation Mortgage, a licensed mortgage lender under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"), without prior Commission approval in violation of § 6.2-1608 of the Code; and that upon receiving notice of the Commissioner's intent to recommend the imposition of a fine, the Defendant offered to settle this case by paying a fine in the sum of Five Thousand Dollars (\$5,000), tendered said sum to the Commonwealth of Virginia, and waived any right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's offer is accepted.
- (2) This case is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. BFI-2022-00072  
NOVEMBER 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
BLACK STAG HOLDINGS LLC, D/B/A GLOBAL CAPITAL MORTGAGE GROUP,  
Defendant

**ORDER REVOKING A LICENSE**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Black Stag Holdings LLC, d/b/a Global Capital Mortgage Group ("Defendant"), is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to file its first quarter 2022 mortgage call report as required by the Nationwide Mortgage Licensing System and Registry, in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 et seq. ("Rules"); and that the Defendant failed to pay its 2022 annual fee, which was due on or before May 25, 2022, in violation of § 6.2-1612 B of the Code.

The Commissioner further reported to the Commission that, pursuant to delegated authority, the Commissioner gave written notice to the Defendant on August 1, 2022 of: (1) the Commissioner's intention to recommend revocation of the Defendant's license; and (2) the requirement to file any written request for a hearing, if desired, on or before August 26, 2022. As of the date of this Order, the Defendant has not requested a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage broker.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that: (i) the Defendant failed to file its first quarter 2022 mortgage call report as required by the Nationwide Mortgage Licensing System and Registry, in violation of 10 VAC 5-160-90 B of the Commission's Rules; and (ii) the Defendant failed to pay its 2022 annual fee, which was due on or before May 25, 2022, in violation of § 6.2-1612 B of the Code.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's license to engage in business as a mortgage broker is revoked.
- (2) This case is dismissed.

**CASE NO. BFI-2022-00084  
DECEMBER 14, 2022**

VIRGINIA FINANCIAL SERVICES ASSOCIATION, ATLANTIC DISCOUNT CORP., FRANKLIN FINANCE COMPANY, INCORPORATED, LENDMARK FINANCIAL SERVICES, LLC, MARINER FINANCE OF VIRGINIA LLC, REGIONAL FINANCE COMPANY OF VIRGINIA, LLC, SOUTHERN FINANCE CORP., and VIRGINIA FINANCE, LLC,  
Petitioners,  
v.  
VIRGINIA BUREAU OF FINANCIAL INSTITUTIONS and E. JOSEPH FACE, JR., COMMISSIONER OF FINANCIAL INSTITUTIONS,  
Respondents.

**ORDER**

On July 22, 2022, the Virginia Financial Services Association ("VFSA"), and Atlantic Discount Corp; Franklin Finance Company, Incorporated; Lendmark Financial Services, LLC; Mariner Finance of Virginia, LLC; Regional Finance Company of Virginia, LLC; Republic Finance Company of Virginia, LLC; Southern Finance Corp.; and Virginia Finance LLC (collectively, "Licensees" and with VFSA, the "Petitioners"), filed a Petition for Declaratory Judgment and Other Relief ("Petition") in the Office of the Clerk pursuant to Rules 100 B and 100 C of the State Corporation Commission's ("Commission") Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice"), naming the Bureau of Financial Institutions and Commissioner of Financial Institutions, E. Joseph Face, Jr. (collectively, the "Bureau"), as respondents. On August 5, 2022, VFSA and the Licensees filed an errata copy of the Petition to correct certain errors regarding the identification of the intended Petitioners. Additionally, on September 15, 2022, the Petitioners sought leave to strike Republic Finance Company of Virginia, LLC as a named Licensee Petitioner in this matter.<sup>1</sup>

The VFSA is a trade association representing the interests of consumer finance companies licensed to do business in the Commonwealth of Virginia ("Virginia").<sup>2</sup> The Licensees are consumer finance companies licensed by the Commission,<sup>3</sup> operating under the laws of Virginia, including § 6.2-1500 *et seq.* of the Code of Virginia ("Code"). Through the Commission, the Bureau has regulatory authority to administer laws and regulations applicable to state-licensed consumer finance companies, such as the Licensees.

In the Petition, the Petitioners assert that 10 VAC 5-60-45 F (1) of the Commission's rules governing Consumer Finance Companies, 10 VAC 5-60-5, *et seq.* ("Consumer Finance Rules") is contrary to statutory law, including specifically § 6.2-1518 of the Code.<sup>4</sup> The Petitioners further allege that the uncertainty as to their right to continue to offer a financing option for ancillary products and services has meant the Licensees have stopped allowing their borrowers to finance ancillary products and services. The Petitioners assert that this has caused harm to the Licensees as a disruption of their longstanding business model and a limitation on their ability to fully serve their customers.<sup>5</sup> Accordingly, the Petitioners ask the Commission, pursuant to Rules 100 B and 100 C, to: (a) grant declaratory judgment that the Licensees are authorized to finance the costs of ancillary products and services offered in connection with the loans they make; and, (b) grant any further or other relief deemed appropriate.<sup>6</sup>

Pursuant to the Commission's August 9, 2022 scheduling order, the Bureau filed a Motion to Dismiss and a response to the Petition. The Petitioners filed their reply in support of the Petition and a response to the Motion to Dismiss on September 15, 2022. The Bureau submitted its reply in support of its Motion to Dismiss, as authorized by Rules 110 and 140 of the Commission's Rules of Practice, on September 29, 2022.

On October 14, 2022, the Commission issued an order directing the filing of additional briefs. The Bureau filed its supplemental brief on October 28, 2022. Petitioners filed their supplemental brief on November 18, 2022.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows:<sup>7</sup>

First, the Commission finds that the plain language of Code § 6.2-1518 authorizes consumer finance companies to conduct other businesses, so long as certain statutory requirements therein are met.<sup>8</sup> Because Code § 6.2-1518 does not categorically prohibit therefrom a licensee's business of financing the costs of ancillary products and services offered in connection with the consumer finance loans they make, the Commission finds that Rule 10 VAC 5-60-45 F (1) – which prohibits all such other business in the first instance – shall be stricken from the Commission's Consumer Finance Rules.

<sup>1</sup> The Commission granted this request in its October 14, 2022 Order. *See* October 14, 2022 Order at 3, *fn.* 7.

<sup>2</sup> *See* Petition at 1.

<sup>3</sup> *See id.* at 2.

<sup>4</sup> *See id.* at 8, 15.

<sup>5</sup> *See id.* at 26.

<sup>6</sup> *See id.* at 9.

<sup>7</sup> In making the specific findings herein, the Commission need not reach the question of VFSA's standing.

<sup>8</sup> For example, Petitioners recognize that "Code § 6.2-1518 A authorizes [consumer finance companies] to conduct other business – such as the financing of other products and services sold in connection with consumer finance loans – so long as the [consumer finance company] provides the Commission 30 days' advanced written notice and pays a \$300 fee." Petitioners' Nov. 18, 2022 Response to the Brief of the Bureau of Financial Institutions and the Commissioner of Financial Institutions at 6.



Second, consistent with the above, the Commission further finds that the plain language of Code § 6.2-1518 requires the Licensees to follow the express requirements therein prior to conducting such other business.<sup>9</sup> Moreover, the statute contemplates the Commission addressing any limitation or prohibition on a licensee's other business on a case-by-case basis.<sup>10</sup> Thus, any analysis resulting in limitation or prohibition by the Commission of such other business, if performed, is done pursuant to the requirements of Code § 6.2-1518.

Accordingly, the Petition is granted in part and denied in part as set forth above, and this matter is dismissed.

<sup>9</sup> See, e.g., Code §§ 6.2-1518 A and B.

<sup>10</sup> See, e.g., Code § 6.2-1518 D.

**CASE NO. BFI-2022-00111  
DECEMBER 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
LENDINGHERO LLC,  
Defendant

**ORDER REVOKING A LICENSE**

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that LendingHero LLC ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia; that the Defendant failed to file its second quarter 2022 mortgage call report by August 14, 2022, in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.* ("Rules"); and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on September 28, 2022, of: (1) the Commissioner's intention to recommend revocation of the Defendant's license, and (2) the requirement to submit a written request for a hearing, if desired, on or before October 28, 2022. As of the date of this Order, the Defendant has not requested a hearing in this matter. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage broker.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant failed to file its second quarter 2022 mortgage call report by August 14, 2022, in violation of 10 VAC 5-160-90 B of the Commission's Rules.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's license to engage in business as a mortgage broker is hereby revoked.
- (2) This case is dismissed.

**CLERK'S OFFICE****CASE NO. CLK-2021-00005  
DECEMBER 12, 2022**STS. CYRIL AND METHODIUS BULGARIAN ORTHODOX MISSION,  
Petitioner

v.

NADYA CHOPARINOFF and ANRIETA DRAGANOVA,  
Defendants**ORDER**

On December 10, 2021, Simona Assenova and Anna Ganev, on behalf of Sts. Cyril and Methodius Bulgarian Orthodox Mission (SCC ID No. 07135312), a Virginia nonstock corporation ("Petitioner" or "Corporation"), filed a Petition in the Office of the Clerk (the "Clerk") pursuant to the State Corporation Commission's ("Commission") Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* and § 13.1-813 of the Code of Virginia.

The Petitioner alleges in the Petition, among other things, that on November 23, 2021, Defendant Nadya Choparinoff ("Choparinoff") filed Articles of Dissolution and Articles of Termination (collectively, "Termination Documents") for the Corporation that Choparinoff was not authorized to file.<sup>1</sup> The Petitioner also asserts that Defendant Anrieta Draganova ("Draganova") was involved in or otherwise assisted with filing the Termination Documents.<sup>2</sup> Following the filing of the Termination Documents, the Commission issued a Certificate of Dissolution and Certificate of Termination, terminating the Corporation's existence.<sup>3</sup>

The Petitioner asks that the Commission: (1) revoke the Articles of Dissolution and Articles of Termination; (2) reinstate the Corporation to active status;<sup>4</sup> and (3) not accept any filings by Choparinoff, Draganova or other individuals who do not represent the Corporation.<sup>5</sup>

On January 26, 2022, the Commission issued a Scheduling Order, assigning this matter to a Hearing Examiner and establishing deadlines for certain pre-hearing filings.<sup>6</sup> On March 14, 2022, the Defendants filed a pleading styled "Answer to Petition and Motion to Dismiss," asking that the Petition be dismissed on certain procedural grounds ("Motion to Dismiss").<sup>7</sup>

On May 20, 2022, the Hearing Examiner issued a ruling, which among other things, denied the Motion to Dismiss, scheduled a September 7, 2022 hearing in the matter ("Hearing"), and established a procedural schedule for identification and submission of anticipated witnesses and exhibits.<sup>8</sup> The Petitioner prefiled its direct testimony and exhibits on July 6, 2022.<sup>9</sup> On August 12, 2022, Defendant Draganova filed a document entitled "Conclusive Evidence and Exhibits" and containing prefiled testimony and exhibits.<sup>10</sup> Defendant Choparinoff did not submit any anticipated records or witness testimony. On August 16, 2022, the Clerk filed a response to the Petition, and included certified business entity records from its file related to the Corporation.<sup>11</sup> On August 24, 2022, the Petitioner supplemented its prior filing by submitting two witness affidavits.<sup>12</sup>

The Hearing Examiner convened a hearing on September 7, 2022, in the Commission's courtroom. The Petitioner, through counsel, presented the testimony of Simona Assenova, Petitioner's current president. The Honorable Bernard Logan, as Clerk, also presented testimony through counsel. Neither of the Defendants appeared at the Hearing, and thus did not present any in-person testimony or evidence.

<sup>1</sup> See Petition, Doc. Con. Cen. No. 211220090, at 1.

<sup>2</sup> See Petition at 2.

<sup>3</sup> See Petition at 1 and Exhibit A.

<sup>4</sup> On January 13, 2022, the Corporation filed for reinstatement. The Commission entered an Order of Reinstatement, reactivating the Corporation's status as a Virginia nonstock corporation, on January 13, 2022. See records submitted by the Clerk as Exhibit ("Ex.") 11 (and marked as bates numbers CLK00001-00060) during the hearing in this matter, at bates no. CLK00041.

<sup>5</sup> See Petition at 6.

<sup>6</sup> Doc. Con. Cen. No. 220130143.

<sup>7</sup> Doc. Con. Cen. No. 220320064. Other pre-hearing motions were also addressed by the Hearing Examiner in rulings dated March 21, 2022 (Doc. Con. Cen. No. 220330015), April 8, 2022 (Doc. Con. Cen. No. 220410154) and April 14, 2022 (Doc. Con. Cen. No. 220420063).

<sup>8</sup> Doc. Con. Cen. No. 220530081.

<sup>9</sup> Doc. Con. Cen. No. 220710045.

<sup>10</sup> Doc. Con. Cen. No. 220830104.

<sup>11</sup> Doc. Con. Cen. No. 220840030.

<sup>12</sup> Doc. Con. Cen. No. 220840223; 220840221; and 220840222.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

After considering the evidence and testimony presented on the record both before and during the Hearing and reviewing the applicable laws, the Hearing Examiner issued a report on September 30, 2022 ("Report").<sup>13</sup> The Report contained the Hearing Examiner's comprehensive analysis of the record as well as the Hearing Examiner's findings and recommendations for the Commission.

The Hearing Examiner found that:

- (1) The Articles of Dissolution and Articles of Termination filed on November 23, 2021, for Sts. Cyril and Methodius Bulgarian Orthodox Mission were not signed or filed by the chairman or any vice-chairman of the board of directors, the president, or any other of its officers authorized to act on behalf of Sts. Cyril and Methodius Bulgarian Orthodox Mission;
- (2) The effects of the unauthorized filings made on November 23, 2021, should be eliminated by deeming them null and void and removing them from the Commission's publicly accessible records;<sup>14</sup>
- (3) The Petition's request to reinstate Sts. Cyril and Methodius Bulgarian Orthodox Mission to active status was rendered moot by the Order of Reinstatement that the Commission issued on January 13, 2022; and
- (4) For the Clerk's Office to evaluate who represents the Corporation at a given time in the future, rather than taking representations in filings at face value, would require a change in the Clerk's Office from its longstanding role as a repository to an active regulatory role, potentially requiring investigative authority and capability. Additionally, there is tension between a static filing prohibition for specified persons, as requested by the Petition, and the evolving nature of corporate leadership.<sup>15</sup>

No comments were filed on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows:

After thoroughly and reasonably analyzing the law and weighing the evidence, the Hearing Examiner recommended that the Commission enter an order that:

- (1) **ADOPTS** the findings in this Report;
- (2) **DEEMS** null and void the Articles of Dissolution and Articles of Termination filed on November 23, 2021, for Sts. Cyril and Methodius Bulgarian Orthodox Mission, and **DIRECTS** the Clerk's Office to remove these filings from the Commission's publicly accessible records;
- (3) **DENIES** the Petition's request that the Commission not accept any filings by Nadya Choparinoff, Anrieta Draganova, or other individuals who do not represent Sts. Cyril and Methodius Bulgarian Orthodox Mission; and
- (4) **DISMISSES** this case from the Commission's docket of active cases.<sup>16</sup>

Upon consideration of this matter, the Commission finds that the Hearing Examiner's findings and recommendations contained in the Report are supported by the law and the evidence, are reasonable, and should be adopted. Accordingly, IT IS ORDERED THAT:

- (1) The Commission adopts the Hearing Examiner's findings and recommendations as set forth herein.
- (2) The Hearing Examiner's recommendations, set forth above, are hereby ordered.
- (3) This case is dismissed.

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<sup>13</sup> Doc. Con. Cen. No. 220940026.

<sup>14</sup> As noted by the Hearing Examiner, "[a]s the Clerk's Information System is the online platform for the public to file and view the documents of business entities, I do not find it necessary for the Clerk to physically cut the documents from the film of the pre-existing microfiche system the Clerk maintains." Report at 15, fn. 93. The Commission agrees.

<sup>15</sup> See Report at 16-17.

<sup>16</sup> Report at 17.

**BUREAU OF INSURANCE****CASE NO. INS-2019-00187  
JANUARY 12, 2022**COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ANTHONY SCOTT DIETRICH  
Defendant**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Anthony Scott Dietrich ("Dietrich" or the "Defendant") violated §§ 38.2-502 (1), 38.2-502 (6), 38.2-512 A, and 38.2-1831 (10) of the Code of Virginia ("Code") as described below.

Dietrich is a Virginia resident licensed agent with the following lines of authority: Life & Annuities, Health, and Variable Contracts. It is alleged that Dietrich failed to adequately explain, in a sales presentation to the client, that the participation rate on her indexed annuity (the percentage of the index's return the insurance company credits to the annuity) dropped from a rate of 100% in year one to 50% in year two. Dietrich provided a disclosure document to the client stating that this feature was fully explained to her, but the client believes that his explanation of the feature in his sales presentation to the client led to her to the mistaken belief that it was 100% in year two.

It is alleged that Dietrich also failed to adequately explain to the client the fees associated with her policy. She believed there would be no asset fees for the indexed annuity when, in fact, the year two fees were 1.9%. There is no asset fee for the indexed annuity, that is, there is no charge for the policyholder to pay out of his or her premium outlay or account value. There is an adjustment to the interest formula to determine the ultimate credited rate the policy earns. The client believes that Dietrich did not properly explain this distinction to her.

The Bureau also determined that Dietrich added an income rider (along with the associated fees) to the client's indexed annuity which the client says she did not ask for. At her request, Dietrich removed the income rider and all associated fees were refunded.

Finally, it is alleged that Dietrich failed to adequately explain to the client the indexed annuity's participation rate and associated fees, which induced the client to surrender two variable annuities and purchase an indexed annuity policy. Dietrich provided a disclosure document to the client stating that this feature was fully explained to her, but the client states that Dietrich failed to explain to her that the participation rates will likely be higher in the first policy year than in subsequent policy years.

The client's understanding of these products did not match the written documentation. Although Dietrich has indicated that this was a situation of client misunderstanding, the Bureau maintains that it was his responsibility to make sure she understood what she had purchased. Dietrich's alleged violation of § 38.2-512 of the Code, referenced above, is also an alleged violation of a 2005 Settlement Order, entered by the Commission, whereby Dietrich agreed to cease and desist from future violations of § 38.2-512 of the Code.

The Bureau investigated Dietrich concerning other clients, but the Bureau will not pursue allegations pertaining to those clients.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed violations of applicable insurance laws.

The Defendant has been advised of his right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has tendered to the Treasurer of Virginia the sum of Eight Thousand Dollars (\$8,000); has agreed not to violate §§ 38.2-502 (1), 38.2-502 (6), 38.2-512 A, and 38.2-1831 (10) of the Code in the future; and has waived his right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) The Defendant has tendered to the Treasurer of Virginia the sum of Eight Thousand Dollars (\$8,000).
- (3) The Defendant shall not violate §§ 38.2-502 (1), 38.2-502 (6), 38.2-512 A, and 38.2-1831 (10) of the Code in the future.
- (4) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. INS-2020-00161  
FEBRUARY 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
LENORIS WENDELL JONES JR.,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Lenoris Wendell Jones Jr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission when the Defendant failed to disclose a 2014 misdemeanor conviction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated June 12, 2020 and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's June 12, 2020 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2020-00168  
JANUARY 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the Matter of Adopting Rules to Implement the Requirements of the Insurance Data Security Act

**ORDER NUNC PRO TUNC**

On May 24, 2021, the State Corporation Commission ("Commission") issued an Order Adopting Regulations ("Order"). It has been brought to the Commission's attention that there was a typographical error in the regulations adopted by the Order ("Regulations"). Specifically, 14VAC5-430-50 C referenced NIST SP 800-30, NIST SP 800-39<sup>1</sup> when it should have referenced NIST SP 800-53, NIST SP 800-171.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the erroneous reference in 14VAC5-430-50 C should be corrected as set forth herein and attached hereto.

<sup>1</sup> NIST SP 800-30, NIST SP 800-39 is correctly referenced in 14VAC5-430-40 B and appears to have been inadvertently repeated in 14VAC5-430-50 C.

Accordingly, IT IS ORDERED THAT:

(1) The incorrect reference in 14VAC5-430-50 C to NIST SP 800-30, NIST SP 800-39 is removed and replaced, *nunc pro tunc*, with NIST SP 800-53, NIST SP 800-171.

(2) The Regulations, as corrected and attached hereto, remain in full force and effect.

(3) The Bureau shall provide notice of the correction to the Regulations to all insurers, burial societies, fraternal benefit societies, health services plans, risk retention groups, joint underwriting associations, group self-insurance pools, and group self-insurance associations licensed by the Commission, to qualified reinsurers in Virginia, and to all interested persons.

(4) The Commission's Division of Information Resources shall cause a copy of this Order, together with the corrected Regulations, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(5) The Commission's Division of Information Resources shall make available this Order and the attached correction to the Rules on the Commission's website: <https://scc.virginia.gov/pages/Case-Information>.

**CASE NO. INS-2020-00229  
JULY 11, 2022**

COMMONWEALTH OF VIRGINIA, ex rel.  
STATE CORPORATION COMMISSION

v.

JAY SCOTT HOWARD  
Defendant

**ORDER ON RECONSIDERATION**

By Order Revoking License dated April 1, 2021 ("Revocation Order"), the State Corporation Commission ("Commission") revoked the license of Jay Scott Howard ("Defendant") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"). The Revocation Order was based upon allegations by the Commission's Bureau of Insurance ("Bureau") that the Defendant had violated § 38.2-1845.2 A of the Code of Virginia ("Code") by engaging in the business of public adjusting without first obtaining a license in a manner as prescribed by the Commission; § 38.2-1845.15 of the Code by failing to maintain sufficient records of his affairs so that the Commission may adequately ensure that the public adjuster complies with all provisions of Chapter 18 of Title 38.2; § 38.2-1845.17 A of the Code by failing to report to the Commission within thirty (30) calendar days of any change in his residence or name; § 38.2-1845.18 of the Code by failing to implement a comprehensive written information security program that includes administrative, technical, and physical safeguards for the protection of policyholder information; and § 38.2-1845.22 of the Code by failing to or refusing to permit the Commission or any of its employees or agents to make an examination and investigate the business affairs of any person engaged or alleged to be engaged in the business of public adjusting in Virginia.<sup>1</sup>

On April 20, 2021, the Defendant filed a Petition for Rehearing/ Reconsideration ("Petition") with the Commission in which he denied the Bureau's claims and requested a hearing.<sup>2</sup>

On April 21, 2021, the Commission entered an Order Granting Reconsideration, which continued the Commission's jurisdiction over the matter and suspended the Revocation Order pending the Commission's consideration of the Petition.<sup>3</sup>

On January 11, 2022, the Commission's Office of General Counsel filed a Notice of Status detailing the case status and the Bureau's numerous unsuccessful attempts to communicate with the Defendant since April 21, 2021.<sup>4</sup>

On March 4, 2022, the Commission entered an Order Directing Additional Pleadings which, among other things, assigned the case to a Hearing Examiner to conduct all further proceedings; ordered the Bureau to file a Statement of Allegations by March 18, 2022; and ordered the Defendant to file a responsive pleading to the allegations by March 30, 2022.<sup>5</sup>

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<sup>1</sup> Revocation Order at 1-3.

<sup>2</sup> Petition at 2.

<sup>3</sup> Order Granting Reconsideration at 1.

<sup>4</sup> Notice of Status at 2.

<sup>5</sup> Order Directing Additional Pleadings at 3.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On March 18, 2022, the Commission's Office of General Counsel, on behalf of the Bureau, filed a Statement of Allegations alleging that Howard had continued to refuse or failed to produce records or information in response to the Bureau's requests, and had made no attempt to address or resolve the Bureau's allegations.<sup>6</sup> The Bureau asserted that Howard's continued failure to respond to or engage with the Bureau warrants reinstatement of the Revocation Order, and the Bureau requested that the Hearing Examiner recommend such reinstatement.<sup>7</sup>

On April 25, 2022, the Commission's Office of General Counsel, on behalf of the Bureau, filed a Motion to Reinstate Revocation Order alleging that Howard, despite being served with the Statement of Allegations through various methods, including service upon his attorney of record, had failed to file any responsive pleading to the allegations by March 30, 2022, as required, and that the Defendant had not made an appearance in this case.<sup>8</sup> As such, the Bureau respectfully requested that the Hearing Examiner recommend to the Commission that it reinstate the Revocation Order.<sup>9</sup>

On May 23, 2022, Senior Hearing Examiner A. Ann Berkebile issued her Report in this case wherein she concluded that the Commission's previous revocation of the Defendant's license to conduct the business of insurance in Virginia as a public adjuster should be reinstated.<sup>10</sup> She recommended that the Commission enter an Order that adopts her findings, grants the Bureau's Motion to Reinstate Revocation Order, reinstates the revocation of the Defendant's license to conduct the business of insurance in Virginia as a public adjuster, and dismisses the case.<sup>11</sup>

No comments to the Senior Hearing Examiner's Report were filed.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion that the findings and recommendations of the Senior Hearing Examiner should be adopted and that the Revocation Order should be reinstated.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the May 23, 2022 Report of Senior Hearing Examiner A. Ann Berkebile hereby are adopted.
- (2) The relief sought in the Petition for Rehearing/Reconsideration hereby is denied.
- (3) The Bureau's Motion to Reinstate Revocation Order hereby is granted.
- (4) The Revocation Order hereby is reinstated and is no longer suspended.
- (5) This case is dismissed.

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<sup>6</sup> Statement of Allegations at 7.

<sup>7</sup> *Id.*

<sup>8</sup> Motion to Reinstate Revocation Order at 3-4.

<sup>9</sup> *Id.* at 4.

<sup>10</sup> Report at 2. The Senior Hearing Examiner directed the Clerk of the Commission to send copies of her Report both by email and by certified mail, return receipt requested, to the Defendant's counsel. *Id.* at 3.

<sup>11</sup> *Id.* at 3.

**CASE NO. INS-2021-00078  
APRIL 18, 2022**

PETITION OF  
BARTON C. PASCO

For approval of Virginia insurance producer license

**FINAL ORDER**

On July 3, 2020, Barton C. Pasco ("Pasco") applied to the State Corporation Commission's ("Commission") Bureau of Insurance ("Bureau") for a Virginia resident producer license for Life & Annuities and Health Insurance ("Application").<sup>1</sup> The Bureau denied Pasco's Application on November 18, 2020 ("Application Denial"), pursuant to §§ 38.2-1831 and 38.2-1832 of the Code of Virginia ("Code"), based upon his felony wire fraud conviction ("Felony Conviction") on August 16, 2013 in the United States District Court of the Eastern District of Virginia ("Eastern District").<sup>2</sup> Specifically, § 38.2-1831 of the Code allows the Bureau to deny an insurance license to an individual convicted of a felony and § 38.2-1832 of the Code authorizes license denial if an applicant "is not of good character or does not have a good reputation for honesty." Pasco's conviction also barred him from transacting the business of insurance pursuant to 18 U.S.C. § 1033 and the Bureau determined that he should not be granted a waiver under this provision ("1033 Waiver").<sup>3</sup>

During an informal conference on April 13, 2021, Pasco was afforded an opportunity to provide additional information in support of his Application.<sup>4</sup> After the informal conference, Bureau of Insurance Commissioner Scott A. White ("Commissioner White"), by letter dated May 17, 2021,<sup>5</sup> found that nothing provided during the informal conference changed the Bureau's analysis regarding the Application, and as such affirmed the Application Denial pursuant to §§ 38.2-1831 and 38.2-1832 of the Code. Commissioner White also restated that he did not see an appropriate basis to grant Pasco a 1033 Waiver.<sup>6</sup>

Pasco petitioned for a formal hearing, asking the Commission to review the Application Denial ("Petition").<sup>7</sup> On June 3, 2021, the Commission directed that a Hearing Examiner conduct further proceedings in this matter.<sup>8</sup> On July 29, 2021, the Hearing Examiner set a hearing date for October 12, 2021<sup>9</sup> and directed the Bureau and Pasco to submit a stipulation of facts (if any), exchange proposed exhibits and identify anticipated witnesses, and to file objections to any anticipated witnesses or exhibits. Pasco and the Bureau complied with this directive.

The hearing was convened as scheduled. Pasco appeared by counsel, Michael J. Quinan, Esquire, and Steven Bulger, Esquire, Office of General Counsel, appeared on behalf of the Bureau.<sup>10</sup> The Hearing Examiner accepted Pasco and the Bureau's stipulated facts into evidence ("Stipulation"),<sup>11</sup> which included among other items, an admission that Pasco had pled guilty to the Felony Conviction which stemmed from his role as trustee of family and charitable trusts whereby he had "obtain[ed] funds to which he was not entitled to . . . for the benefit of himself . . ."<sup>12</sup> As a result of the Felony Conviction, Pasco was incarcerated and ordered to pay his victims \$2.45 million in restitution.<sup>13</sup>

<sup>1</sup> See Exhibit ("Ex.") 3. Pasco had previously possessed a Virginia resident insurance producer license between July 1, 1979 and May 3, 2013. However, Pasco surrendered this license in 2013 as a result of the Felony Conviction discussed herein. See Ex. 10.

<sup>2</sup> See Ex. 4.

<sup>3</sup> See *id.* 18 U.S.C. § 1033 prohibits an individual convicted of a criminal felony involving dishonesty or a breach of trust from engaging in the business of insurance unless the individual has obtained written permission from the designated regulatory official - here the Commissioner of Insurance.

<sup>4</sup> See Ex. 2.

<sup>5</sup> See Ex. 2.

<sup>6</sup> See Ex. 2.

<sup>7</sup> See Petition, Doc. Con. Cen. No. 210550074.

<sup>8</sup> See Scheduling Order, Doc. Con. Cen. No. 210610088.

<sup>9</sup> Doc. Con. Cen. No. 210730128.

<sup>10</sup> Transcript ("Tr.") p.7-8.

<sup>11</sup> Tr. p. 20. See also Hearing Examiner's December 7, 2021 Report ("Report"), Doc. Con. Cen. No. 211210237 at 2-3. See also Ex. 1.

<sup>12</sup> See Ex. 5 at 9-12.

<sup>13</sup> See Stipulation, Ex. 1, Statement of Facts, Ex. 5, and Plea Agreement, Ex. 6, Consent Restitution Order, Ex. 8, Order, Ex. 9. Pasco admitted in the Statement of Facts that he had used his fiduciary position as trustee to "obtain funds to which he was not entitled to . . . for the benefit of himself . . ." Ex. 5 at 9-12.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

In addition to the Stipulation, the Bureau introduced eleven exhibits<sup>14</sup> and presented the testimony of Richard J. Tozer, the Bureau's manager of agent licensing; Michael T. Beavers, the Bureau's Deputy Commissioner of agent regulation; Commissioner White (collectively "Bureau Witnesses"); and John Pasco, III ("John Pasco"), Pasco's brother.<sup>15</sup>

The Bureau Witnesses testified, among other matters, that the type of financial crime Pasco committed (*i.e.*, one involving dishonesty and breach of trust), his abuse of his role as a fiduciary of his family's trust and his willful and knowing violation of the law, supported the Application Denial.<sup>16</sup> The Bureau also testified that, despite having his civil rights restored, Pasco had not provided sufficient evidence that he had been rehabilitated,<sup>17</sup> he continuously failed to acknowledge responsibility for his actions,<sup>18</sup> and had made minimal restitution payments.<sup>19</sup> Commissioner White further testified that that Pasco's fiduciary responsibilities as a trustee of family funds was similar to the type of fiduciary duties required by persons holding insurance licenses and interacting with consumers.<sup>20</sup> Commissioner White stated further that he had "grave concern" about Pasco serving in a position of trust with members of the public given his behavior regarding Pasco's own family members.<sup>21</sup>

John Pasco testified, among other matters, that he and Pasco's other siblings had not heard from Pasco since 2013 and that he and his siblings have received only a "minimal, miniscule" amount of the \$2.45 million that his brother was ordered to pay in restitution."<sup>22</sup>

Pasco asserted that, despite his Felony Conviction and the Bureau's concerns, the Commission had the discretion to and should grant the Application. In support of his position, Pasco presented his own testimony, as well as that of seven character witnesses.<sup>23</sup> Pasco also introduced twelve exhibits in support of his Petition.<sup>24</sup> Through this evidence, Pasco provided an overview of his personal, educational, and professional background and experience and described his contributions to the insurance industry and community generally.<sup>25</sup> He maintained that the Felony Conviction was his only criminal transgression and that this conviction was unrelated to the business of insurance.<sup>26</sup> He also testified that he had served time in federal prison for his crime, completed his probationary requirements and was a model prisoner while incarcerated.<sup>27</sup> Pasco also asserted he was remorseful and had been fully rehabilitated from his Felony Conviction because his civil rights had been restored after he had been released from prison,<sup>28</sup> he had taken classes and participated in voluntary counselling while in prison,<sup>29</sup> and that he was committed to making full restitution as required by the Eastern District.<sup>30</sup> Pasco acknowledged that he had not tried to reconcile with his family,<sup>31</sup> that he had paid very little toward restitution,<sup>32</sup> and that his efforts to obtain gainful employment were largely unsuccessful.<sup>33</sup>

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<sup>14</sup> See Exs.1-11.

<sup>15</sup> See Report at 3.

<sup>16</sup> Tr. at 38-42. See also Ex. 7.

<sup>17</sup> Tr. 42-44.

<sup>18</sup> Tr. 53, 59.

<sup>19</sup> Tr. 38-41, 51, 65-66.

<sup>20</sup> Tr. 87.

<sup>21</sup> Tr. 89.

<sup>22</sup> Tr. 76-79.

<sup>23</sup> See Report at 8.

<sup>24</sup> See Exs. 12-23.

<sup>25</sup> Tr. 111-131.

<sup>26</sup> Tr. 13-16, 132. See also Doc. Con. Cen. No. 211250114 ("Pasco's Comments") p. 14-27.

<sup>27</sup> Tr. 140-142. See also Pasco's Comments p. 38-39.

<sup>28</sup> Tr. 142-143. See also Ex. 15.

<sup>29</sup> Tr. 149-151.

<sup>30</sup> Tr. 158, 164. See also Pasco's Comments at 39.

<sup>31</sup> Tr. 135-136, 169.

<sup>32</sup> Tr. 155.

<sup>33</sup> Tr. 155-157.

Pasco's character witnesses testified that it was their belief that Pasco had accepted responsibility for the actions that led to the Felony Conviction,<sup>34</sup> that they generally believed him to be of good character,<sup>35</sup> and that they would do business with Pasco if given the opportunity to do so.<sup>36</sup>

On December 7, 2021, the Commission's Hearing Examiner issued a Report,<sup>37</sup> summarizing the procedural background and substantive evidence in the case. The Hearing Examiner noted that, pursuant to §§ 38.2-1831 (9) and 38.2-1832 (A) of the Code, the Commission has the discretion to deny the Application based upon Pasco's Felony Conviction *or* if it finds Pasco not to be of good character or lacking a good reputation for honesty.<sup>38</sup> The Hearing Examiner further cited that federal law precluded Pasco from working in the insurance industry unless he received a 1033 Waiver from the Commission.<sup>39</sup>

Based upon her review of the record and applicable law, the Hearing Examiner determined that evidence submitted by the Bureau provided the support necessary for the Commission – in its discretion - to affirm the Bureau's Application Denial.<sup>40</sup> The Hearing Examiner noted that the Felony Conviction was a financial felony involving dishonesty or a breach of trust that resulted in "substantial financial harm to [Pasco's] family members and to various charities."<sup>41</sup> The Hearing Examiner also opined that the evidence established that Pasco had not been rehabilitated and had not fully accepted responsibility for his Felony Conviction, as the Bureau had asserted.<sup>42</sup> The Hearing Examiner concluded that these matters casted "significant doubt on [Pasco's] capability of serving in a position of trust and suggest[ed] a possible risk to consumers" if the Application was granted.<sup>43</sup>

Accordingly, the Hearing Examiner agreed with Commissioner White's Application Denial and recommended that the Commission: (a) adopt the Report's findings; (b) affirm the Bureau's Application Denial and deny Pasco's Application; and, (c) dismiss the Petition from the Commission's docket.<sup>44</sup> However, the Hearing Examiner offered that the Commission could explore whether it was appropriate to grant Pasco a conditional or probational insurance license.<sup>45</sup>

On December 28, 2021, the Bureau and Pasco filed their respective comments to the Hearing Examiner's Report. In its comments, the Bureau concurred with the Hearing Examiner's recommendations and asserted that the facts and circumstances of this case did not warrant that the Commission grant Pasco a conditional or probational license.<sup>46</sup> In his comments, Pasco argued that the record did not support denial of his license, but expressed a willingness to accept a conditional or probational insurance license if the Commission (in its discretion) opted to consider this option.<sup>47</sup>

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Hearing Examiner's findings and recommendations as contained in the Report are reasonable, are supported by the evidentiary record and should be adopted. Specifically, the Commission finds in its discretion that denial of the Application pursuant to Code §§ 38.2-1831 (9) and 38.2-1832 (A) is warranted. The Commission also agrees that Commissioner White's decision not to grant a 1033 Waiver to Pasco under 18 U.S.C. 1033 is supported by the record. Further, upon review of the evidence and arguments presented in this matter, the Commission declines to consider approval of the Application with terms, conditions or other probationary requirements.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the December 7, 2021 Hearing Examiner's Report are hereby adopted.
- (2) The Bureau's Application Denial is affirmed.
- (3) Pursuant to § 38.2-1832 (A) the Code, Pasco shall not again apply for an insurance license with the Bureau until after the expiration of five years from the date of this Final Order.
- (4) The case is dismissed.

<sup>34</sup> Tr. 99-100, 175-176, 190-191, 234.

<sup>35</sup> Tr. 175, 232-233.

<sup>36</sup> Tr. 101-102, 178, 191-192, 212-213, 221-222, 235-237.

<sup>37</sup> See Report.

<sup>38</sup> Report at 17-18.

<sup>39</sup> *Id.* at 17-18.

<sup>40</sup> *Id.* at 18.

<sup>41</sup> *Id.*

<sup>42</sup> Tr. at 38-44, 53-59, 86-87. See also Report p. 17-18.

<sup>43</sup> Report at 18.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> See Doc. Con. Cen. No. 211250113 ("Bureau's Comments") p. 1-2.

<sup>47</sup> See Pasco's Comments p. 5-6, 38-39.

**CASE NO. INS-2021-00115  
JANUARY 27, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
TE-ARIA MAHANEY,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Te-Aria Mahaney ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on January 25, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 5, 2021 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's November 5, 2021 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2021-00120  
DECEMBER 9, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY,  
Defendant

**ORDER SUSPENDING LICENSE**

Section 38.2-1040 A 3 of the Code of Virginia ("Code") provides that the Virginia State Corporation Commission ("Commission") may suspend the license of any domestic, foreign, or alien insurer to transact the business of insurance in the Commonwealth of Virginia whenever it finds that a licensee is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors and the public in this Commonwealth. Section 38.2-1041 of the Code provides that the Commission may suspend the license of any insurer on the grounds set out in Section 38.2-1040 after giving the insurer ten days' notice of the reasons for the proposed suspension and an opportunity to introduce evidence and be heard. Section 38.2-1041 provides that the required notice may be waived by the Commission and the insurer.

On October 11, 2022, the General Court of Justice, Superior Court Division of Wake County, North Carolina entered an Order of Liquidation against North Carolina Mutual Life Insurance Company ("NC Mutual" or "Defendant") (the "Liquidation Order"). The Liquidation Order found NC Mutual to be insolvent.<sup>1</sup> The Liquidation Order appointed the Commissioner of Insurance of the State of North Carolina as the Receiver and Liquidator of NC Mutual.<sup>2</sup> The Liquidation Order also vested in the Commissioner of Insurance of the State of North Carolina the authority to "...conduct [NC Mutual's] business and administer [NC Mutual's] assets and affairs under the general supervision of this Court" and "...to take any action relating to the licenses or certificates of [NC Mutual] as may be required to carry out the Liquidation."<sup>3</sup>

NC Mutual was initially licensed to transact the business of insurance in Virginia on February 2, 1917. On February 2, 2010, the Commission entered a Consent Order prohibiting NC Mutual from issuing any new contracts or policies of insurance in Virginia until further Order of the Commission.<sup>4</sup> On November 21, 2022, the Commission's Bureau of Insurance ("Bureau") received an email from the North Carolina Department of Insurance stating that it waives the required notice and opportunity to be heard as provided in Section 38.2-1041 of the Code and consents to the license suspension of NC Mutual.

The Bureau, given the foregoing, has recommended that the Commission enter an order suspending the Defendant's license to transact the business of insurance in Virginia.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's license to transact the business of insurance in Virginia should be suspended.

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to § 38.2-1040 A 3 of the Code, the Defendant's license to transact the business of insurance in Virginia is hereby SUSPENDED.
- (2) The Defendant shall continue to issue no new contracts or policies of insurance in Virginia until further order of the Commission.
- (3) The appointments of the Defendant's agents to act on behalf of the Defendant in Virginia are hereby SUSPENDED.
- (4) The Defendant's agents shall transact no new insurance business on behalf of the Defendant in Virginia until further order of the Commission.
- (5) The Bureau of Insurance shall cause notice of the suspension of the Defendant's license to be published in the manner set forth in § 38.2-1043 of the Code.

<sup>1</sup> *Causey v. N.C. Mut. Life Ins. Co.*, File No. 18 CVS 14480, *Order of Liquidation Against North Carolina Mutual Life Insurance Company, Granting Injunctive Relief and Approving Service Agreement and Early Access Agreement* at 7 (N.C. Super. Ct. Oct. 11, 2022) ("[North Carolina Mutual Life Insurance Company] is hereby placed in liquidation and declared insolvent.").

<sup>2</sup> *Id.* at 4, 7.

<sup>3</sup> *Id.* at 5-6.

<sup>4</sup> *Commonwealth of Virginia ex rel. State Corp. Comm'n v. N.C. Mut. Life Ins. Co.*, Case No. INS-2009-00248, 2010 S.C.C. Ann. Rept. 98, Consent Order (Feb. 2, 2010).

**CASE NO. INS-2021-00135  
JANUARY 19, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

CENTRAL TITLE AND ESCROW INC.,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Central Title and Escrow Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 55.1-903 of the Code of Virginia ("Code") by failing to record and disburse settlement proceeds in its possession within two business days of settlement; 55.1-1004 A of the Code by failing to exercise reasonable care and financial responsibility when the Defendant incorrectly debited an out of state escrow account for a transaction regarding a Virginia property; § 55.1-1008 A of the Code by failing to handle funds in a fiduciary manner as evidenced by the Bureau's investigation which revealed 18 outstanding disbursements held in excess of one year and by disbursing funds associated with a Virginia property from an account outside of Virginia; § 55.1-1008 (B) (2) of the Code by failing to disburse funds pursuant to the written instructions or agreements when the Defendant disbursed funds to a home warranty vendor that was not listed in the settlement statement; as well as 14 VAC 5-395-60 A of the Virginia Administrative Code by debiting funds associated with an out-of-state settlement from the Defendant's Virginia fiduciary trust account.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 55.1-1015 of the Code to impose certain monetary penalties, issue cease and desist orders, and revoke or suspend a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to the Treasurer of Virginia the sum of Five Thousand Dollars (\$5,000); has agreed, within ninety (90) days of the entry of this Settlement Order, to provide verification to the Bureau that outstanding disbursements associated with the Defendant's File Number 18-0334 have been resolved; and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

**CASE NO. INS-2021-00136  
MAY 20, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
VISTA ABSTRACT, INC.,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the State Corporation Commission's ("Commission") Bureau of Insurance ("Bureau"), it is alleged that Vista Abstract, Inc. ("Vista Abstract" or "Defendant"), violated §§ 38.2-1822 (C) and 55.1-1004 (A) of the Code of Virginia ("Code") by acting as an insurance agent/agency in Virginia without the required license to do so and by failing to exercise reasonable care and comply with all applicable requirements regarding settlement agent licensing;<sup>1</sup> § 55.1-1014 (A) of the Code by conducting eleven (11) settlements on Virginia properties from December 12, 2020, to June 10, 2021, without being registered with the Bureau; and 14 VAC 5-395-30 of the Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq.*, by failing, as a settlement agent, to register with the Bureau in accordance with the provisions of § 55.1-1014 of the Code.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 55.1-1015 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as a non-resident insurance agency in Virginia effective April 26, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from April 26, 2022.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

<sup>1</sup> Vista Abstract is a Pennsylvania resident agent. The Defendant's Virginia Title Producer License and Title Settlement Registration terminated on December 12, 2020. The Defendant reapplied for and was issued another Title Producer License by the Bureau on June 10, 2021. The Bureau's allegations relate to activities that occurred during an approximately six-month period when the Defendant had no Virginia title license or registration to act as a settlement agent in Virginia.

**CASE NO. INS-2021-00144  
FEBRUARY 2, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MANUEL L. SANABRIA, AND SANABRIA INSURANCE GROUP LLC,  
Defendants

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Manuel L. Sanabria ("Sanabria") and Sanabria Insurance Group LLC (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-518 (F) of the Code of Virginia ("Code") by preparing a certificate of insurance that contained misleading information that purported to affirmatively extend the coverage provided by a policy of insurance to which the certificate made reference; and § 38.2-1813 (B) of the Code by failing to hold and maintain funds received from insureds in a fiduciary account separate from all other business and personal funds.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations. The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission, wherein the Defendants have tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars (\$2,500), have agreed to be placed on probation for a period of one (1) year effective immediately upon the entry of this Settlement Order ("Order"); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) The Defendants shall be placed on probation for a period of one (1) year effective immediately upon the entry of this Order.
- (3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

**CASE NO. INS-2021-00148  
JANUARY 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

JAMES SAMUEL BEKHOR,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that James Samuel Bekhor ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in California on June 18, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 29, 2021 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 29, 2021 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2021-00149  
JANUARY 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
COURTNEY CHASTEN,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Courtney Chasten ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on December 21, 2020.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 29, 2021 that was mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 29, 2021 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2021-00150  
JANUARY 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

SHAMIA M. MCNEAL,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Shamia M. McNeal ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on August 27, 2020.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 29, 2021 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 29, 2021 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2021-00151  
JANUARY 21, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ROBERT LEWIS STEWART,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Robert Lewis Stewart ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant from October 2019 through August 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 29, 2021 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.



ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 29, 2021 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2021-00152  
JANUARY 19, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
ALBERT PAUL VENEGAS,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Albert Paul Venegas ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on August 19, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 29, 2021 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 29, 2021 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.

- Order.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
  - (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
  - (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2021-00153  
JANUARY 19, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
ZOE WEST,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Zoe West ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (B) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days the facts and circumstances regarding a felony conviction; and § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in Louisiana on June 8, 2021 and in Kansas on June 23, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 5, 2021 that was mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's November 5, 2021 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (B) of the Code by failing to report to the Commission within thirty (30) calendar days the facts and circumstances regarding a felony conviction; and § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2021-00154  
JANUARY 27, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

DANIEL EVAN JOSSEN,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Daniel Evan Jossen ("Jossen" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-502 of the Code of Virginia ("Code") by misrepresenting the benefits, advantages, conditions or terms of any insurance policy when the Defendant made sales presentations that misrepresented the benefits of a life insurance policy; and §§ 38.2-1838 A 1 and 38.2-1838 A 2 of the Code by representing to members of the public that the Defendant provides consulting services beyond those within the normal scope of activities of a licensed insurance agent, and by charging a fee to consumers for insurance advice when the Defendant did not hold the appropriate license.

Jossen is a District of Columbia resident licensed with the following lines of authority: Life & Annuities, Health and Variable Contracts.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective December 8, 2021; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from December 8, 2021.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00004  
JANUARY 27, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

CRYSTAL MAY MARLOWE,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Crystal May Marlowe ("Marlowe" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1813 (A) of the Code of Virginia ("Code") by failing to, in the ordinary course of business, pay funds to the insurer entitled to the payment.

Marlowe is a Virginia resident licensed with the following lines of authority: Life & Annuities, Health and Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective January 3, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from January 3, 2022.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00005  
JANUARY 27, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ANDREA CAMPBELL,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Andrea Campbell ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in the state of Washington on October 18, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 13, 2021 that was mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's December 13, 2021 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00006  
JANUARY 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

TODD CHARLES DANNER,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Todd Charles Danner ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Illinois on June 12, 2021; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, or untrue information in the license application filed with the Commission on August 26, 2020.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 29, 2021 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 29, 2021 letter and has also failed to respond to the Bureau's electronic correspondence on December 15, 2021.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00007  
MARCH 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

UNITED SERVICES AUTOMOBILE ASSOCIATION, USAA CASUALTY INSURANCE COMPANY, USAA  
GENERAL INDEMNITY COMPANY, and GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY  
Defendants

**SETTLEMENT ORDER**

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Insurance Company, and Garrison Property and Casualty Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-510 A 1 of the Code of Virginia ("Code") by failing to represent facts or insurance policy provisions relating to coverages at issue with such frequency as to indicate a general business practice; § 38.2-1318 C of the Code by failing to provide convenient access to files, documents, and records to Commission personnel during an examination; § 38.2-1809 B of the Code by failing to retain records relative to insurance transactions for three previous calendar years as required by statute; §§ 38.2-2208 A and 38.2-2113 C of the Code by failing to retain a

valid proof of mailing of the companies' notice to the insured of the cancellation of a policy; §§ 38.2-2114 A, 38.2-2114 C, 38.2-2212 D, and 38.2-2212 E of the Code by failing to accurately terminate insurance policies; § 38.2-2201 D of the Code by failing to obtain a valid Assignment of Benefits from the insured authorizing direct payment of medical expense benefits to the health care provider; § 38.2-2220 of the Code by failing to use the precise language of standard auto forms filed and adopted by the Commission; and § 38.2-2223 of the Code by including additional provisions or more favorable coverage in standard forms without obtaining approval from the Commission prior to use; as well as 14 VAC 5-400-70 D of the Virginia Administrative Code by failing to offer a fair and reasonable amount as shown by the investigation of the claim.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in the companies' correspondence dated September 27, 2021, and November 24, 2021; have confirmed that restitution was made to 40 consumers in the amount of Thirty Seven Thousand Three Hundred Fifty Eight Dollars and Fifty-five Cents (\$37,358.55); have tendered to the Treasurer of Virginia the sum of Thirty Four Thousand Dollars (\$34,000); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00008  
FEBRUARY 25, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
CHANGQING CHEN,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Changqing Chen ("Chen" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false representations on four insurance applications for the purpose of obtaining a commission from an insurer.

Chen is a New York resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective January 20, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from January 20, 2022.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00009  
MARCH 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

PAMELA BROWN,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Pamela Brown ("Brown" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false representations on or relative to a document relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any individual.

Brown is a Florida resident licensed with the following line of authority: Personal Lines.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective January 1, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from January 1, 2022.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00010  
FEBRUARY 18, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

VENICA BLAKELY,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Venica Blakely ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in New York on February 9, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 13, 2021 that was mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's December 13, 2021 letter, and has also failed to respond to the Bureau's electronic correspondence on January 13, 2022 and January 18, 2022.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00011  
FEBRUARY 25, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

STEVEN JEAN,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Steven Jean ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in New York on June 29, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 13, 2021, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.



**CASE NO. INS-2022-00012  
FEBRUARY 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

OLVIN ROLANDO MORENO-MARTINEZ, and HISPANOS DE EXITO, LLC,  
Defendants

**SETTLEMENT ORDER**

The Bureau of Insurance ("Bureau") of the State Corporation Commission ("Commission") conducted an investigation of Olvin Rolando Moreno-Martinez ("Moreno-Martinez") and Hispanos De Exito, LLC ("Agency") (collectively with Moreno-Martinez, the "Defendants") pursuant to § 38.2-1809 of the Code of Virginia ("Code").

**Summary**

This Settlement Order constitutes an agreed resolution regarding the Bureau's allegations that the Defendants violated the Commonwealth of Virginia's ("Virginia") insurance laws. Specifically, the Bureau alleges that the Defendants violated §§ 38.2-1812 (B), 38.2-1822 (A), and 38.2-1822 (B) of the Code by soliciting, negotiating and selling at least 608 Virginia personal auto policies through a carrier without first obtaining a license to do so. The Defendants also created a fraudulent insurance company, AssuranceSiempre Insurance Company ("AssuranceSiempre"), through which they sold consumers fraudulent personal auto policies purportedly providing coverage through AssuranceSiempre. The Defendants also created an unlicensed entity they called "Green Valley Insurance Agency" which they listed as the producer for the fraudulent AssuranceSiempre policies. Furthermore, the Defendants were paid commissions by consumers for these fraudulent insurance policies.

Accordingly, as discussed in more detail below, to resolve the Bureau's current allegations, the Defendants have agreed to be permanently enjoined from conducting the business of insurance in Virginia.

**The Bureau's Allegations, The Commission's Statutory Remedies, And Proposed Settlement**

The Agency is a limited liability company that has never been licensed in Virginia. Moreno-Martinez is a Virginia resident who is the Agency's owner. The Bureau alleges that the Defendants violated § 38.2-1822 (A) of the Code, by acting as an agent and agency of an insurer licensed to transact the business of insurance in this Commonwealth without first obtaining a license in a manner and in a form prescribed by the Commission. This was evidenced by the fact that the Defendants solicited, negotiated and sold at least 608 Virginia personal auto policies through a licensed carrier while the Defendants were not licensed. The unlicensed sales conducted by the Defendants resulted in at least 138 claims payments by the carrier totaling nearly \$200,000.

The Bureau also alleges that the Defendants violated § 38.2-1822 (B) of the Code by acting as agents on behalf of a business entity in the transaction of insurance in this Commonwealth without first obtaining a license in a manner and in a form prescribed by the Commission. The Defendants sold personal auto policies to six (6) consumers that purportedly provided coverage through AssuranceSiempre Insurance Company, a fraudulent insurance company created by the Defendants. Some of these consumers were involved in automobile accidents that were not covered by AssuranceSiempre Insurance Company due to the fraudulent nature of the policies. Additionally, the Defendants created a fictitious unlicensed entity they called "Green Valley Insurance Agency" which was listed as the producer for the fraudulent AssuranceSiempre policies.

The Defendants also violated § 38.2-1812 (A) of the Code by accepting valuable consideration for services as an agent and agency without holding valid licenses as an agent and agency for the class of insurance involved. This is evidenced by the fact that the Defendants were paid by consumers for the purchase of Virginia personal auto policies while the Defendants were unlicensed to conduct insurance transactions.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

Accordingly, in order to resolve this matter, and without admitting nor denying any violation of Virginia law, the Defendants admit to the Commission's jurisdiction and authority to enter this Settlement Order. Having been advised of the right to a hearing in this matter, the Defendants have made an offer of settlement to the Commission wherein the Defendants agree to be permanently enjoined from transacting the business of insurance in Virginia.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. INS-2022-00015  
MAY 19, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

GINA KIDD,  
Defendant

**SETTLEMENT ORDER**

The Virginia State Corporation Commission ("Commission"), through its Bureau of Insurance ("Bureau"), conducted an investigation resulting from an insurance carrier's employment termination of Gina Kidd ("Mrs. Kidd" or "Defendant") on or about April 4, 2020. Based on its investigation, the Bureau alleged that Mrs. Kidd violated §§ 38.2-512 (A), 38.2-512 (C), and 38.2-1831 (10) of the Code of Virginia ("Code").

The Bureau acknowledges that Mrs. Kidd has cooperated fully in the course of the investigation, including by providing records to the Bureau upon request, by responding to questions posed by the Bureau's staff, and by participating in a virtual meeting with a Bureau investigator on May 7, 2021. The Bureau also acknowledges that other than this matter, Mrs. Kidd has no prior disciplinary history in the insurance industry.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

Mrs. Kidd has been advised of the right to a hearing in this matter whereupon, without admitting or denying any violation of Virginia law or the Bureau's allegations, she has made an offer of settlement ("Offer") to the Commission wherein she has paid to the Treasurer of Virginia the sum of Six Thousand Dollars (\$6,000.00), has waived her right to a hearing, and has agreed to cease and desist from further violations of §§ 38.2-512 (A), 38.2-512 (C), and 38.2-1831 (10) of the Code.

The Bureau has recommended that the Commission accept the Offer made by Mrs. Kidd pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the Defendant's Offer, and the recommendation of the Bureau, is of the opinion that the Offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's Offer to settle the matter set forth herein is hereby accepted.
- (2) The Defendant will pay to the Treasurer of Virginia the amount of Six Thousand Dollars (\$6,000.00).
- (3) The Defendant will cease and desist from further violations of §§ 38.2-512 (A), 38.2-512 (C), and 38.2-1831 (10) of the Code.
- (4) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. INS-2022-00017  
NOVEMBER 18, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ALBERTO JOSE VARGAS  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Alberto Jose Vargas ("Vargas" or the "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) and (C) of the Code of Virginia ("Code"). Specifically, Vargas allowed an independent contractor, brought on by the Parent Agency as an Exclusive Financial Specialist (EFS) who was not registered by the Parent Agency to sell variable products, to meet with Vargas's customers on at least 30 occasions to discuss and sell variable products on his behalf. While Vargas met with some of the clients, he did not personally meet with most of the clients to verify their identity or determine the suitability of the product or the transaction. He then signed as the agent of record despite, by his own admission, not having met with all the consumers.

According to Vargas, his supervisor introduced him to the EFS/ independent contractor and was aware that the EFS/independent contractor was unregistered as an agent. The supervisor nonetheless recommended that Vargas utilize the EFS/ independent contractor's services for the purpose of selling variable products to Vargas's existing clients and compensate the independent contractor directly for those services.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Parent Agency's records reflect that although the majority of the \$37,035.78 in commissions paid to Vargas were then disbursed by Vargas to the independent contractor, Vargas still retained \$2,088.52 of the money he was paid in commissions for these transactions.

The Bureau alleges that Vargas violated § 38.2-512 (A) of the Code by making false or fraudulent statements or representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, premium finance company, or individual.

The Bureau further alleges that Vargas violated § 38.2-512 (C) of the Code by obtaining by false pretense the signature of consumers on insurance applications when Vargas falsely certified that he presented and sold each applicant the life insurance policy, when, in fact, he had allowed the EFS/ independent contractor to meet with Vargas's clients to discuss the suitability of the products and to sell variable policies to the clients.

Vargas contends that he did meet personally with many of the clients who ultimately purchased variable products after they met with the independent contractor.

The Bureau also alleges that Vargas violated § 38.2-1831 (10) of the Code by demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds by, as stated above, signing variable universal life insurance applications certifying that he had met with the applicant to present the policy and complete the application, when he, in fact, did not. As a result the consumers were not properly informed of the type of policy they were purchasing and of the investment risk associated with those policies.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law or the Bureau's allegations, has made an offer of settlement to the Commission wherein the Defendant has agreed to tender to the Treasurer of Virginia the sum of Twelve Thousand Dollars (\$12,000); has waived the right to a hearing; and has agreed to cease and desist from further violations of §§ 38.2-512 (A), 38.2-512 (C), 38.2-1831 (10) of the Code.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) The Defendant will pay to the Treasurer of Virginia the amount of Twelve Thousand Dollars (\$12,000).
- (3) The Defendant will cease and desist from further violations of §§ 38.2-512 (A), 38.2-512 (C), 38.2-1831 (10) of the Code.
- (4) This case is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. INS-2022-00020  
MARCH 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
KELLENA BROWN,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kellena Brown ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in the state of New York on April 30, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated January 14, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's January 14, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00021  
MARCH 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MORGAN LARI MCCALL,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Morgan Lari McCall ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in the state of California on August 23, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated January 14, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's January 14, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.

- Order.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
  - (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
  - (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00022**  
**MARCH 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
CHRISTOPHER SCHNEIDER,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Christopher Schneider ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in the state of New York on July 20, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated January 14, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's January 14, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00023  
MARCH 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of Amending Rules Governing Advertisement of Life Insurance and Annuities

**ORDER TO TAKE NOTICE**

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and § 38.2-223 of the Code provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy also may be found here: <https://law.lis.virginia.gov/admincode/title14/agency5/>.

The Bureau of Insurance ("Bureau") has undertaken a review of Chapter 41 of Title 14 of the Virginia Administrative Code, entitled "Rules Governing Advertisement of Life Insurance and Annuities", 14 VAC 5-41-10 *et seq.* ("Rules"). As stated in 14 VAC 5-41-10 A, the Rules provide "minimum standards and guidelines to assure a full and truthful disclosure to the public of all material and relevant information in the advertising of life insurance policies and annuity contracts." As part of its review, the Bureau has considered marketing practices in life insurance and annuity advertisements that employ the phrases "inexpensive," "low cost," and similar terms, and concerns that such terms may mislead consumers.

As a result of its review, the Bureau has submitted to the Commission a proposal to amend 14 VAC 5-41-80 of the Virginia Administrative Code. These amendments are necessary to address the concern with the use of the above-referenced phrases on an industry-wide basis in Virginia and to more closely align the Rules with guidance prepared by the National Association of Insurance Commissioners in its Advertisements of Life Insurance and Annuities Model Regulation, which addresses the use of "inexpensive," "low cost," and similar terms.

NOW THE COMMISSION is of the opinion that the proposal to amend the Rules set forth in Chapter 41 of Title 14 in the Virginia Administrative Code as submitted by the Bureau should be considered for adoption with a proposed effective date of September 1, 2022.

Accordingly, IT IS ORDERED THAT:

(1) The proposed amendments to the Rules Governing Advertisement of Life Insurance and Annuities, as set out at 14 VAC 5-41-80 of the Virginia Administrative Code, are attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to oppose, the adoption of the proposed amended rules shall file such comments or hearing request on or before April 29, 2022, with the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2022-00023. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information). All comments shall refer to Case No. INS-2022-00023.

(3) If no written request for a hearing on the adoption of the proposed amended rules as outlined in this Order is received on or before April 29, 2022, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may adopt the rules as submitted by the Bureau.

(4) The Bureau shall provide notice of the proposal to all carriers licensed in Virginia to write life insurance, annuities or variable annuities and to all interested persons.

(5) The Commission's Office of General Counsel shall cause a copy of this Order, together with the proposal to amend the rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposal on the Commission's website: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).

(7) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (4) above.

(8) This matter is continued.

NOTE: A copy of the attachment entitled "Rules Governing Advertisement of Life Insurance and Annuities" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. INS-2022-00023  
MAY 12, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of Amending Rules Governing Advertisement of Life Insurance and Annuities

**ORDER ADOPTING RULES**

By Order to Take Notice ("Order") entered March 7, 2022, all carriers licensed in the Commonwealth of Virginia to write life insurance, annuities or variable annuities and all interested persons were ordered to take notice that subsequent to April 29, 2022, the State Corporation Commission ("Commission") would consider the entry of an order adopting amendments to rules in Chapter 41 of Title 14 of the Virginia Administrative Code, entitled "Rules Governing Advertisement of Life Insurance and Annuities" ("Rules"), as set out at 14 VAC 5-41-80, unless on or before April 29, 2022, any person objecting to the adoption of the amendments to the Rules filed a request for hearing with the Clerk of the Commission ("Clerk").

The Order also required all interested persons to file their comments in support of or in opposition to the amendments to the Rules with the Clerk on or before April 29, 2022.

Following the Commission's entry of the Order, the Bureau of Insurance ("Bureau") received only one comment to the proposed amendment to the Rules.<sup>1</sup> The Bureau responded directly to the commenter by letter and has filed that response as part of the record. No one filed a request for a hearing with the Clerk.

The amendments to the Rules are necessary to address the Bureau's concerns with the use of the phrases "inexpensive," "low cost," and similar terms in advertisements for life insurance policies and annuity contracts on an industry-wide basis in Virginia, and to more closely align the Rules with guidance prepared by the National Association of Insurance Commissioners in its Advertisements of Life Insurance and Annuities Model Regulation, which addresses the use of these terms.

The Bureau has recommended to the Commission that the amendments to the Rules be adopted.

NOW THE COMMISSION, having considered the proposal to amend the Rules, the comment and the Bureau's response thereto, and the recommendation of the Bureau to adopt the amendments to the Rules, is of the opinion that the attached amendments to the Rules should be adopted, effective September 1, 2022.

Accordingly, IT IS ORDERED THAT:

(1) The amendments to the "Rules Governing Advertisement of Life Insurance and Annuities," as set out at 14 VAC 5-41-80 of the Virginia Administrative Code, which are attached hereto and made part hereof, are hereby ADOPTED effective September 1, 2022.

(2) The Bureau shall provide notice of the adopted amendments to the Rules to all carriers licensed in Virginia to write life insurance, annuities or variable annuities and to interested persons.

(3) The Commission's Office of General Counsel shall cause a copy of this Order and the amendments to the Rules to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) The Commission's Division of Information Resources shall make available this Order and the attached amendments to the Rules on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(5) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (2) above.

(6) This case is dismissed.

NOTE: A copy of the attachment entitled "Rules Governing Advertisement of Life Insurance and Annuities" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>1</sup> The Bureau forwarded this comment to the Clerk for entry in the case record.

**CASE NO. INS-2022-00024  
MARCH 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

SELECTIVE INSURANCE COMPANY OF AMERICA, SELECTIVE INSURANCE COMPANY OF SOUTH CAROLINA,  
SELECTIVE WAY INSURANCE COMPANY,  
Defendants

**SETTLEMENT ORDER**

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that Selective Insurance Company of America, Selective Insurance Company of South Carolina, and Selective Way Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated §§ 38.2-231 A, 32.2-2113 A, and 38.2-2114 A of the Code of Virginia ("Code") by failing to terminate insurance policies properly; § 38.2-231 J of the Code by failing to retain proof of mailing of cancellation notices sent to insureds; § 38.2-305 A of the Code by failing to include the required information in the insurance policy; §§ 38.2-305 B, 38.2-2124, and 38.2-2125 of the Code by failing to provide the required notices to insureds; § 38.2-317 A of the Code by failing to obtain approval for policy forms available for use; § 38.2-510 A 1 of the Code by failing to represent pertinent facts or insurance policy provisions relating to coverages at issue with such frequency as to indicate a general business practice; § 38.2-511 of the Code by failing to maintain a complete record of all the written complaints received since the date of the last examination; §§ 38.2-604 C, 38.2-610 A, 38.2-1905 A, 38.2-2118, 38.2-2126 A 1, 38.2-2202 A, 38.2-2202 B, and 38.2-2234 A 1 of the Code by failing to include all the required information in written notices sent to insureds; § 38.2-1318 C of the Code by failing to provide convenient access to files, documents, and records to Commission personnel during an examination; § 38.2-1822 A of the Code by allowing a business entity to act as an insurance agent in Virginia without first obtaining a license in a manner and in a form prescribed by the Commission; § 38.2-1833 of the Code by failing to appoint a licensed agent within thirty (30) days of the date of the execution of an insurance application; § 38.2-1906 A of the Code by failing to file with the Commission certain rate and supplementary rate information for use in Virginia on or before the date it became effective; § 38.2-1906 D of the Code by failing to use the rate and supplementary rate information that are in effect for the insurer; § 38.2-1906.1 of the Code by failing to have available for use a notice regarding misquoted premiums; § 38.2-2220 of the Code by using standard automobile forms that failed to contain the precise language of the forms filed and adopted by the Commission; as well as 14 VAC 5-400-40 A of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.* of the Virginia Administrative Code ("Rules"), by failing to inform the insured of all coverages pertinent to the claim; Rule 14 VAC 5-400-70 D by failing to offer a fair and reasonable amount as shown by the investigation of the claim; and Rule 14 VAC 5-400-80 D by failing to provide a copy of the repair estimate to the insured with such frequency as to indicate a general business practice.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated December 15, 2020, May 14, 2021, and December 3, 2021, in addition to e-mail correspondence dated October 8, 2021; have confirmed that restitution was made to 110 consumers in the amount of Sixty-five Thousand Twenty-six Dollars and Forty-five Cents (\$65,026.45), have tendered to the Treasurer of Virginia the sum of Ninety-nine Thousand Nine Hundred Dollars (\$99,900), and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.



**CASE NO. INS-2022-00025  
MARCH 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
JENNIFER ANA VILLATORO,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jennifer Ana Villatoro ("Villatoro" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false or fraudulent statements or representations on or relative to a document relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from an individual; and § 38.2-1813 (A) of the Code by failing to hold funds received from an insured in a fiduciary capacity and by failing to account for such funds. The Defendant also failed, in the ordinary course of business, to pay the funds to the assignee, insurer, insurance premium finance company or agent entitled to the payment.

Villatoro is a Virginia resident licensed with the following line of authority: Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective February 15, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from February 15, 2022.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00026  
JULY 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
AMY NICOLE SMITH,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Amy Nicole Smith ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making fraudulent representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any insurer or individual as evidenced by the Bureau's investigation, which revealed the Defendant electronically remitted payments from the bank account of her employer, an insurance agency, to her and another person's insurance policies, without the agency's knowledge or consent; and § 38.2-1809 (A) of the Code by failing or refusing to respond to the Bureau's written requests for information or documentation in connection with an investigation.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letters dated October 15, 2021, November 10, 2021, and June 17, 2022, that were mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's letters.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-512 (A) of the Code by making fraudulent representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any insurer or individual; and § 38.2-1809 (A) of the Code by failing or refusing to respond to the Bureau's written requests for information or documentation in connection with an investigation.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00027  
APRIL 1, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
SERVICELINK, LLC,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Servicelink, LLC ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 55.1-903 of the Code of Virginia ("Code") by failing to record a deed and not disbursing the settlement proceeds within two business days of settlement; § 55.1-1004 A of the Code by failing to exercise reasonable care regarding financial responsibility when the Defendant had insufficient funds to record a deed; and § 55.1-1008 A 1 of the Code by failing to handle funds in connection with an escrow, settlement, or closing in a fiduciary capacity as evidenced by the Bureau's investigation which revealed the Defendant disbursed and escheated funds to a party outside of the transaction; as well as 14 VAC 5-395-50 D of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq.* ("Rules"), by failing to comply with the annual escheatment requirement for unclaimed property as revealed during the Bureau's review of the Defendant's November 2020 Virginia escrow accounts that identified 88 outstanding disbursements from 2016 through 2019; and Rule 14 VAC 5-395-60 A by failing to maintain a separate fiduciary trust account for the purpose of handling funds received in connection with escrow, closing, or settlement services involving real estate located only in Virginia when the Defendant commingled funds with funds from real estate transactions outside of Virginia and disbursed funds related to settlements involving Virginia properties to an account that was known to be used for settlements from various states.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 55.1-1015 of the Code to impose certain monetary penalties, issue cease and desist orders, and revoke or suspend a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to the Treasurer of Virginia the sum of Five Thousand Dollars (\$5,000) and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00030  
MARCH 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
BMS CONSULTING GROUP, L.L.C., *et al.*  
Defendants

**ORDER REVOKING LICENSE**

Based on a review of the records of the Bureau of Insurance ("Bureau"), it is alleged that the Defendants, whose names are set forth in Attachment A, which is attached hereto and made a part hereof, each of which is duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agency in the Commonwealth of Virginia ("Virginia"), have each violated § 38.2-1820 B 2 of the Code of Virginia ("Code") by failing to designate an employee, officer, director, manager, member, or partner to serve as the licensed producer responsible for compliance with the insurance laws, rules, and regulations of Virginia; and § 38.2-1826 E of the Code by failing to report within thirty (30) calendar days to the Commission the removal, for any reason, of the designated licensed producer responsible for the business entity's compliance with the insurance laws, rules, and regulations of Virginia, along with the name of the new designated licensed producer.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been notified of the right to a hearing before the Commission in this matter by letter dated February 10, 2022, and mailed to the Defendants' addresses shown in the records of the Bureau.

The Defendants, having been advised in the above manner of the right to a hearing in this matter, have each failed to request a hearing and have not otherwise communicated with the Bureau.

The Bureau, upon the Defendants' failure to request a hearing, has recommended that the Commission enter an order revoking the Defendants' licenses to transact business as insurance agencies in Virginia.

NOW THE COMMISSION is of the opinion and finds that the Defendants each have violated § 38.2-1820 B 2 of the Code by failing to designate an employee, officer, director, manager, member, or partner to serve as the licensed producer responsible for compliance with the insurance laws, rules, and regulations of Virginia; and § 38.2-1826 E of the Code by failing to report within thirty (30) calendar days to the Commission the removal, for any reason, of the designated licensed producer responsible for the business entity's compliance with the insurance laws, rules, and regulations of Virginia, along with the name of the new designated licensed producer.

The Commission also finds that each Defendant should be allowed the opportunity to reapply and obtain its license immediately, provided the Defendant includes the name of the designated licensed producer on the application. Furthermore, the Commission shall vacate the Order Revoking License as to any Defendant who reapplies and provides the required information within 20 days of the date of entry of this Order.

Accordingly, IT IS ORDERED THAT:

- (1) The licenses of the Defendants to transact business as insurance agencies in Virginia are hereby REVOKED.
- (2) All appointments issued under said licenses are hereby VOID.
- (3) The Defendants shall transact no further business in Virginia as insurance agencies.
- (4) The Commission shall vacate this Order as to any Defendant that elects to reapply and provides the required information on the application within 20 days of the date of entry of this Order.
- (5) The Bureau shall provide each Defendant with a copy of this Order and notify every insurance company for which the Defendants hold appointments to act as insurance agencies.
- (6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

FEIN	NAME	ADDRESS	ADDRESS	E-MAIL ADDRESS
54-1944170	BMS CONSULTING GROUP, L.L.C.	P.O. BOX 760	HARDY, VA 24101-0760	FEBAAR@CBMSBENEFITS.COM
54-1516121	BMS CONSULTING, INC.	P.O. BOX 760	HARDY, VA 24101-0760	FEBAAR@CBMSBENEFITS.COM
14-1948464	COASTAL EQUITIES INSURANCE AGENCY, INC.	1201 N ORANGE ST.	WILMINGTON, DE 19801	FRONK@COASTAL-ONE.COM
20-3761402	HARVEST INSURANCE AGENCY LLC	8000 TOWERS CRESCENT DR., SUITE 1350	TYSONS CORNER, VA 22182-6236	<a href="mailto:VAOFFICE@HARVESTINSURANCE.NET">VAOFFICE@HARVESTINSURANCE.NET</a>
81-4927728	PALADIN DATA INSURANCE CORP.	1568 CAMPUS DR.	BERKELEY, CA 94708	JRILEY@PALADIN.INSURE

**CASE NO. INS-2022-00034  
MARCH 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

GEICO ADVANTAGE INSURANCE COMPANY, GEICO CHOICE INSURANCE COMPANY, GEICO SECURE INSURANCE COMPANY,  
Defendants

**SETTLEMENT ORDER**

Based on a market conduct investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that GEICO Advantage Insurance Company, GEICO Choice Insurance Company, and GEICO Secure Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information in effect for the Defendants.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in the companies' electronic correspondence dated November 8, 2021, and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00035  
MAY 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

BAY COUNTY SETTLEMENTS, INC.,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Bay County Settlements, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1820 B 2 of the Code of Virginia ("Code") by failing to designate an employee to serve as the licensed producer from February 15, 2021 to February 25, 2021; § 55.1-903 of the Code by failing to cause recordation of a deed and the disbursement of settlement proceeds within two business days of settlement; § 55.1-1004 A of the Code by failing to exercise reasonable care regarding financial responsibility when the Defendant conducted a settlement without having receipt of the required funds and by failing to reconcile negative file balances; and § 55.1-1008 A of the Code by failing to handle funds in a fiduciary capacity by failing to reconcile outstanding disbursements in a timely manner.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 55.1-1015 of the Code to impose certain monetary penalties, issue cease and desist orders, and revoke or suspend a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to the Treasurer of Virginia the sum of Five Thousand Dollars (\$5,000); has agreed to provide verification to the Bureau that outstanding file disbursements associated with settlements twelve (12) months and older have been reissued and negotiated with the identified owners and/or escheated to the Virginia Department of Treasury on or before 180 days from the date of this Settlement Order; and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00036  
MAY 24, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MBH SETTLEMENT GROUP LLC,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that MBH Settlement Group LLC ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 55.1-1004 A of the Code of Virginia ("Code") by failing to exercise reasonable care regarding financial responsibility when the Defendant had outstanding disbursements in escrow accounts for greater than one (1) year; § 55.1-1008 A of the Code by failing to handle Virginia escrow funds in a fiduciary capacity as evidenced by the Bureau's investigation which revealed the Defendant commingled funds and failed to reissue disbursements associated with a change in banking institutions; as well as 14 VAC 5-395-60 (A) of the Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq.*, by allowing other funds associated with settlement services outside of Virginia to be deposited in the Defendant's Virginia trust accounts.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 55.1-1015 of the Code to impose certain monetary penalties, issue cease and desist orders, and revoke or suspend a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to the Treasurer of Virginia the sum of Five Thousand Dollars (\$5,000); has agreed to provide verification to the Bureau, within 180 days from the date of this Settlement Order, that outstanding file disbursements associated with settlements twelve (12) months and older have been escheated to the Virginia Department of Treasury; and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00037  
MAY 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
PREMIER TITLE AND ESCROW LLC,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Premier Title and Escrow LLC ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1809 B of the Code of Virginia ("Code") by failing to provide certain requested insurance records during an examination; § 55.1-1004 A of the Code by failing to exercise reasonable care regarding financial responsibility as evidenced by the Bureau's investigation which revealed unreconciled balances in the Defendant's 2021 annual audit; and § 55.1-1008 A of the Code by failing to handle funds in a fiduciary capacity when the Defendant failed to resolve balances associated with transferred funds in Virginia escrow accounts.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 55.1-1015 of the Code to impose certain monetary penalties, issue cease and desist orders, and revoke or suspend a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to the Treasurer of Virginia the sum of Five Thousand Dollars (\$5,000); has agreed to provide the Bureau with the documentation requested in the Bureau's correspondence dated January 13, 2022 on or before sixty (60) days from the date of entry of this Settlement Order; and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00038  
AUGUST 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
ROSHUNDA STONE,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Roshunda Stone ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in Indiana on June 14, 2021, and in Minnesota on September 20, 2021.

ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letters dated January 14, 2022 and April 1, 2022, that were mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's January 14, 2022 and April 1, 2022 letters.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

CASE NO. INS-2022-00041  
MAY 24, 2022

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
ANGEL GARZA,  
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Angel Garza ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on October 14, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 23, 2022 that was mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's March 23, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application or any other document filed with the Commission.

Accordingly, IT IS ORDERED THAT :

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.

- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00042  
MAY 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MARQUAN HUGHES,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Marquan Hughes ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1822 (A) of the Code of Virginia ("Code") by acting as an agent in Virginia and selling, soliciting, or negotiating contracts of insurance for the Federally Facilitated Exchange Plan ("FFE") between September 13, 2020, and July 6, 2021, without first obtaining the required license for FFE plans in a manner and in a form prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 23, 2022, that was mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's February 23, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1822 (A) of the Code by acting as an agent in Virginia and selling, soliciting, or negotiating contracts of insurance without first obtaining a license in a manner and in a form prescribed by the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.



**CASE NO. INS-2022-00043**  
**MAY 24, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
 STATE CORPORATION COMMISSION

v.  
 KRISTEN N. JOWETT LITTLE,  
 Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kristen N. Jowett Little ("Little" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated §§ 38.2-1822 (A) of the Code of Virginia ("Code") by permitting a person to act as an agent of an insurer licensed to transact the business of insurance in Virginia without first obtaining a license in a manner and in a form prescribed by the Commission.

Little is a Pennsylvania resident agent licensed with the following line of authority in Virginia: Title.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as a non-resident insurance agent in Virginia effective April 26, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from April 26, 2022.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00044**  
**AUGUST 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
 STATE CORPORATION COMMISSION

v.  
 ERICA ALISON MCGILL,  
 Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Erica Alison McGill ("McGill" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making or allowing to be made false or fraudulent statements or representations on or relative to insurance applications for the purpose of obtaining a commission from an insurer; § 38.2-512 (B) of the Code by affixing or allowing to be affixed the signature of any other person to an insurance document without the written authorization of the person whose signature appears on such document; § 38.2-512 (C) of the Code by obtaining or allowing to be obtained by false pretense the signature of another person or utilizing such signature for the purpose of altering, changing or effecting the benefits, advantages, terms or conditions of any insurance contract or document; § 38.2-502 (1) of the Code by making or knowingly allowing to be made statements that misrepresented the benefits, advantages, conditions or terms of an insurance policy; § 38.2-502 (6) of the Code by misrepresenting material facts for the purpose of inducing or tending to induce the lapse, forfeiture, exchange, conversion, replacement, or surrender of any insurance policy; § 38.2-1822 of the Code by acting as an agent in this Commonwealth without first obtaining an insurance license as prescribed by the Commission; § 38.2-1831 (5) of the Code by engaging in twisting or any form thereof, where "twisting" means inducing an insured to terminate an existing policy and purchase a new policy through misrepresentation; § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices, or demonstrating untrustworthiness in the conduct of business in Virginia; § 38.2-1831 (12) of the Code by forging another's name to an application for insurance or to any document related to an insurance transaction; as well as 14 VAC 5-30-40 of the Rules Governing Life Insurance and Annuity Replacements, 14 VAC 5-30-10 *et seq.*, by submitting insurance applications to an insurer that falsely indicated the applicant did not have any existing policy or contract.

McGill is a Tennessee resident licensed with the following lines of authority: Life & Annuities and Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective March 22, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from March 22, 2022.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) The Defendant shall not make any application to transact the business of insurance in Virginia for a period of five (5) years from March 22, 2022.
- (3) This case is dismissed.

**CASE NO. INS-2022-00046  
MAY 24, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
ASIA RENEE BEARD,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Asia Renee Beard ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in the state of New York on October 15, 2020.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 11, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's February 11, 2022 letter as well as a subsequent letter dated March 18, 2022.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed.

**CASE NO. INS-2022-00047  
AUGUST 11, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
TITLE ONE & ESCROW, INC.,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Title One & Escrow, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 55.1-903 of the Code of Virginia ("Code") by failing to cause recordation of a deed and the disbursement of settlement proceeds within two business days of settlement; § 55.1-1004 A of the Code by failing to exercise reasonable care regarding financial responsibility when the Defendant had escrow account analyses discrepancies; § 55.1-1004 C of the Code by failing to allow each title insurance company for which the Defendant has an appointment to conduct an analysis of its escrow accounts in accordance with regulations adopted by the Commission or guidelines issued by the Bureau of the Commission, as appropriate, at least once each consecutive 12-month period; § 55.1-1008 A of the Code by failing to handle Virginia escrow funds in a fiduciary capacity as evidenced by the Bureau's investigation which revealed the Defendant had outstanding disbursements held in excess of one year; as well as 14 VAC 5-395-60 A of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq.* ("Rules"), by allowing funds associated with settlement services on real estate outside of Virginia to be commingled and deposited in the Defendant's Virginia trust account; and Rule 14 VAC 5-395-70 A and C by failing to promptly respond to the Bureau's request for escrow records in connection with the Bureau's investigation.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 55.1-1015 of the Code to impose certain monetary penalties, issue cease and desist orders, and revoke or suspend a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to the Treasurer of Virginia the sum of Five Thousand Dollars (\$5,000); has agreed to provide the Bureau with the most recent three-way reconciliation of all Virginia escrow accounts within ten (10) days from the date of entry of this Settlement Order ("Order"); has agreed to provide verification to the Bureau, within 180 days from the date of entry of this Order, that outstanding file disbursements associated with Virginia settlements 180 days and older have been disbursed to the rightful owners and/or escheated to the Virginia Department of Treasury; and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) Within 10 days of the date of this Order, the Defendant shall provide the Bureau with the most recent three-way reconciliation of all Virginia escrow accounts.

(3) Within 180 days of the date of this Order, the Defendant shall provide verification to the Bureau that outstanding file disbursements associated with Virginia settlements 180 days and older have been disbursed to the rightful owners and/or escheated to the Virginia Department of Treasury.

(4) This case is dismissed.

**CASE NO. INS-2022-00049  
JUNE 9, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

GERBER LIFE INSURANCE COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Gerber Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated §§ 38.2-316 A, 38.2-316 B and 38.2-316 C 1 of the Code of Virginia ("Code") by failing to use insurance policies or forms on file and approved by the Commission; § 38.2-508 (1) of the Code by engaging in unfair discrimination; § 38.2-509 A 2 of the Code by offering an inducement to a contract that is not specified in the contract; § 38.2-1812 A of the Code by paying or sharing of commissions with unlicensed or unappointed agents; § 38.2-1822 A of the Code by failing to comply with licensed agent requirements; § 38.2-1833 A 1 of the Code by accepting new business from agents and failing to file a notice of appointment with the Commission within thirty (30) days of execution of the first insurance application submitted; as well as 14 VAC 5-41-30 B of the Virginia Administrative Code, 14 VAC 5-41-10 *et seq.*, by using advertisements in which the form and content of such advertisements were not sufficiently accurate, complete, and clear so as to avoid deception or the capacity or tendency to mislead or deceive; Rule 14 VAC 5-41-30 C by using advertisements that contained the omission of material information or the use of words, phrases, statements, references, or illustrations if the omission or use had the capacity, tendency, or effect of misleading or deceiving purchasers; 14 VAC 5-41-30 E by having advertisements that used the term "College Plan" to advertise a life insurance policy; Rule 14 VAC 5-41-40 D by failing to prominently display the limitations associated with contestability and by failing to disclose the limitation of benefits of a life insurance policy within the first two years; and Rule 14 VAC 5-41-80 B by using the term "affordable" without evidence to demonstrate to whom the products would be affordable and that the advertisements were directed toward those particular demographics.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in the Bureau's letter dated December 16, 2020; has tendered to the Treasurer of Virginia the sum of Twenty-seven Thousand Six Hundred Dollars (\$27,600); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

**CASE NO. INS-2022-00051  
JUNE 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

FARMERS INSURANCE EXCHANGE, MID-CENTURY INSURANCE COMPANY, TRUCK INSURANCE EXCHANGE,  
Defendants

**SETTLEMENT ORDER**

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Farmers Insurance Exchange, Mid-Century Insurance Company and Truck Insurance Exchange (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-304 A of the Code of Virginia ("Code") by using a written binder for a period exceeding sixty (60) days; § 38.2-305 B of the Code by failing to provide the required notice to insureds; § 38.2-317 A of the Code by failing to obtain approval for policy forms available for use; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions, or terms of an insurance policy; § 38.2-510 A 1 of the Code by failing to represent pertinent facts or insurance policy provisions relating to coverages at issue with such frequency as to indicate a general business practice; § 38.2-511 of the Code by failing to maintain a complete record of written complaints received by the Defendants as required by statute; § 38.2-1318 C of the Code by failing to provide Commission personnel with convenient access to files, documents and records during an examination; §§ 38.2-1905 A and 38.2-2129 of the Code by failing to include all required information in notices provided to insureds; § 38.2-1905 C of the Code by failing to properly assign points under the Safe Driver Insurance Plan; § 38.2-1906 A of the Code by failing to file with the Commission all rates and supplementary rate information for use in Virginia on or before the date they became effective;

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§ 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information in effect for the Defendants; §§ 38.2-2114 A, 38.2-2114 C, 38.2-2212 D, 38.2-2212 E and 38.2-2212 F of the Code by failing to terminate insurance policies properly; § 38.2-2220 of the Code by failing to use the precise language of standard automobile forms filed and adopted by the Commission; § 38.2-2223 of the Code by including additional provisions or more favorable coverage in standard automobile forms without obtaining approval from the Commission prior to use; as well as 14 VAC 5-400-40 A of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.* of the Virginia Administrative Code by failing to fully disclose to an insured all pertinent coverages of an insurance policy under which a claim is presented; Rule 14 VAC 5-400-70 D by failing to offer to a first party claimant a fair and reasonable amount as shown by the investigation of the claim; and Rule 14 VAC 5-400-80 D by failing to provide copies of the Defendants' prepared repair estimates to the vehicle owner with such frequency as to indicate a general business practice.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated June 4, 2021, November 12, 2021, and March 28, 2022; have confirmed restitution was made to 52 consumers in the amount of Twenty-one Thousand Six Hundred Eighty-one Dollars and Eighty-three Cents (\$21,681.83); have tendered to the Treasurer of Virginia the sum Eighty-six Thousand Four Hundred Dollars (\$86,400); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00053  
AUGUST 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
DARRYL B. GREENE, JR.,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Darryl B. Greene, Jr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Indiana on September 29, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 1, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 1, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- Order. (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00054  
AUGUST 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
LATEEF MUHAMMAD,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Lateef Muhammad ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Illinois that was effective on September 27, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 1, 2022, that was mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 1, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- Order. (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00055**  
**JUNE 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
 STATE CORPORATION COMMISSION

v.  
 GABRIELLE DOMINQUE PORTIS,  
 Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Gabrielle Dominique Portis ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission, within thirty (30) calendar days of the final disposition of the matter, any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in New York on July 16, 2021, and in Kansas on September 17, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 1, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 1, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission, within thirty (30) calendar days of the final disposition of the matter, any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00056**  
**JUNE 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
 STATE CORPORATION COMMISSION

v.  
 CLENDON BROWN,  
 Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Clendon Brown ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on June 11, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

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The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 26, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00057  
JUNE 17, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MICHAEL BENJAMIN BURNS,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Michael Benjamin Burns ("Burns" or "Defendant"), licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), but not registered or affiliated with an insurance company or other financial services entity, as required, to offer and sell variable contracts, violated several provisions of Virginia insurance laws.

Specifically, the Bureau alleges that Burns violated §§ 38.2-502 (1) and 38.2-502 (6) of the Code of Virginia ("Code") by issuing and providing an illustration that misrepresented the benefits, advantages, conditions or terms of an insurance policy and by misrepresenting material facts for the purpose of inducing or tending to induce the conversion, replacement, or surrender of an insurance policy when the Defendant provided a client with an insurance illustration from another insurer and replaced fixed products with variable products without the knowledge, understanding or request of the insured client; § 38.2-512 (A) of the Code by making or allowing to be made false or fraudulent statements or representations on or relative to an insurance application for the purpose of obtaining a benefit from an insurer when the Defendant falsely represented himself as being registered to sell variable products and sold said products to clients; § 38.2-512 (C) of the Code by (a) utilizing the signature of another person for the purpose of altering, changing or effecting the benefits, advantages, terms or conditions of an insurance contract or document when the Defendant falsely portrayed himself as a variable licensed and registered agent for an insurer (when he was not registered); and, (b) obtained insureds' signatures under false pretenses by selling and replacing the insureds' current policies with a variable product that the insureds did not understand or request; § 38.2-1812 (B) of the Code by accepting commissions or other valuable consideration resulting from the offer and sale of variable contracts while the Defendant was not registered with an entity authorizing him to do so; and § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices, or demonstrating untrustworthiness in the conduct of business in Virginia when the Defendant fraudulently portrayed himself as a registered agent of an insurer authorized to sell variable contracts, completed applications with clients, and sold numerous variable life insurance policies to insureds when the Defendant was not registered to do so.

Burns is a Virginia resident licensed with the following lines of authority: Life & Annuities, Health, and Variable Contracts.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter, whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective May 23, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from May 23, 2022.



The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00058  
JUNE 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
JULIA CHAVIS,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Julia Chavis ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission, within thirty (30) calendar days of the final disposition of the matter, any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative actions taken against the Defendant in Indiana on May 25, 2021; in Nevada on July 30, 2021; in Washington on August 20, 2021; in Ohio on October 19, 2021; and in California on January 2, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 22, 2022, that was mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 22, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission, within thirty (30) calendar days of the final disposition of the matter, any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00060  
AUGUST 12, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

PICHINDA HORN LACKEY,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Pichinda Horn Lackey ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Pennsylvania on February 22, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 3, 2022, that was mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 3, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00061  
AUGUST 11, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MORRIS PETE WINDLESS, JR.,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Morris Pete Windless, Jr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in New York on October 20, 2020.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 26, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00062  
AUGUST 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
LEE-ANN YOUNG,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Lee-Ann Young ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on September 17, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 26, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application or any other document filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.

- Order.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
  - (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
  - (6) This case is dismissed.

**CASE NO. INS-2022-00063  
OCTOBER 18, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
JERIMIE ERNEST ARCHIE,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jerimie Ernest Archie ("Defendant") duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction when the Defendant failed to report administrative actions taken in Kansas on December 20, 2021 and Louisiana on March 16, 2022; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application or any other document filed with the Commission when the Defendant failed to disclose pending felony charges from April 30, 2020.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing; has agreed to the suspension of his license for a period of ninety (90) days effective from the entry of this order; and has agreed not to transact the business of insurance in Virginia for a period of ninety (90) days effective from the entry of this order.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby **SUSPENDED** for a period of ninety (90) days.
- (3) All appointments issued under said license are hereby **VOID** for a period of ninety (90) days.
- (4) The Defendant shall transact no further business in Virginia as an insurance agent for a period of ninety (90) days.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. INS-2022-00064**  
**JUNE 9, 2022**

APPLICATION OF  
TIME INSURANCE COMPANY

For approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia

**ORDER APPROVING APPLICATION**

By letter application ("Application") filed with the State Corporation Commission ("Commission") dated June 2, 2022, Time Insurance Company, in rehabilitation ("Time" or "Applicant"), a Wisconsin-domiciled insurer, by its Rehabilitator, the Wisconsin Office of the Commissioner of Insurance, requested approval of the assumption and transfer ("assumption reinsurance agreement") of 751 long-term care insurance policies from Time to John Hancock Life Insurance Company (USA) ("John Hancock"), a Michigan-domiciled insurer, effective on July 1, 2022, pursuant to § 38.2-136 C of the Code of Virginia ("Code").

On April 10, 2019, the Commission entered an order suspending the license of Time to transact the business of insurance in the Commonwealth of Virginia.<sup>1</sup> On July 29, 2020, the Circuit Court of Dane County, Wisconsin, entered an order placing Time into rehabilitation.<sup>2</sup> John Hancock is licensed to transact the business of insurance in the Commonwealth of Virginia and is in good standing.

Pursuant to § 38.2-136 C of the Code, the Applicant has requested that the Commission waive the policyholder consent to this transaction required by § 38.2-136 B of the Code because a delinquency proceeding has been instituted against Time for the purpose of rehabilitating the insurer. The assumption reinsurance agreement represents the Rehabilitator's plan to rehabilitate Time based on its determination of the best interest of policyholders.

The Bureau of Insurance ("Bureau"), having reviewed the Application to ensure that Virginia policyholders will not lose any rights or claims afforded under their original contracts pursuant to Chapter 17 of Title 38.2 of the Code, has recommended that the Application be approved.

NOW THE COMMISSION, having considered the Application, the recommendation of the Bureau, and the law applicable hereto, is of the opinion and finds that the Application should be approved.

Accordingly, IT IS ORDERED THAT the Application of Time Insurance Company for the approval of the assumption reinsurance agreement pursuant to § 38.2-136 C of the Code is hereby APPROVED.

<sup>1</sup> See *Commonwealth of Virginia, ex rel. State Corporation Commission v. Time Insurance Company*, Case No. INS-2019-00049, 2019 S.C.C. Ann. Rept. 78, Consent Order (April 10, 2019).

<sup>2</sup> *In re Rehab. of Time Ins. Co.*, No. 2020-cv-1054 (Wis. Cir. Ct. July 29, 2020), available at <https://oci.wi.gov/Documents/Companies/FinTime07292020OrderForRehabilitation.pdf>.

**CASE NO. INS-2022-00065**  
**AUGUST 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
ROBERT HOLLAND,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Robert Holland ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Indiana on February 10, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 13, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 13, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00066  
AUGUST 12, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

JEFFREY POLLARD,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jeffrey Pollard ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in New York on December 6, 2021, in South Dakota on November 9, 2021, and in Indiana on November 3, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 16, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 16, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00067  
AUGUST 12, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
ORLANDO VENTURA,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Orlando Ventura ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in California on February 21, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 16, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 16, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00068  
AUGUST 12, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
RANDY MATTHEW VOJVODA,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Randy Matthew Vojvoda ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report to the Commission an administrative action taken against the Defendant in Florida on October 6, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 16, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 16, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00069  
DECEMBER 19, 2022**

APPLICATION OF  
NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

For revisions of advisory loss costs and assigned risk workers' compensation insurance rates

**FINAL ORDER**

On July 15, 2022, the National Council on Compensation Insurance, Inc. ("NCCI"), filed an application with the State Corporation Commission ("Commission") for approval of certain changes applicable to voluntary market advisory loss costs and assigned risk rates and rating values for new and renewal workers' compensation insurance policies becoming effective on or after April 1, 2023 ("Application").<sup>1</sup> The Application consists of two separate components: an advisory loss cost filing and an assigned risk rate filing. Both the advisory loss cost filing and the assigned risk rate filing address the same two categories of workers' compensation classifications: (i) industrial classifications, including coal mine classifications; and (ii) federal ("F") classifications.

With respect to advisory loss costs, NCCI proposed an overall decrease of 6.8% for industrial classifications; an overall decrease of 14.8% for the F classifications; an overall decrease of 13.6% for the surface coal mine classification; and an overall decrease of 12.4% for the underground coal mine classification.<sup>2</sup>

With respect to the assigned risk rates, NCCI proposed an overall decrease of 2.9% for industrial classifications; an overall decrease of 11.2% for F classifications; an overall decrease of 15.1% for the surface coal mine classification; and an overall decrease of 13.9% for the underground coal mine classification.<sup>3</sup>

<sup>1</sup> Exhibit ("Ex.") 2 (Application). The Commission's Order Docketing Case, Doc. Con. Cen. No. 220650023 (June 27, 2022), assigned this matter to a hearing examiner to oversee the proceedings and established the procedural schedule for the filing of the Application and other responsive documents. The Order Docketing Case was entered after NCCI submitted a proposed schedule for these proceedings as instructed by the Commission in ordering paragraph (4) of its Final Order in Case No. INS-2021-00081 (Doc. Con. Cen. No. 211230103, December 17, 2021).

<sup>2</sup> See e.g. Ex. 4 (Rosen Direct) at 2 and 17.

<sup>3</sup> *Id.*



Along with its Application, NCCI filed the direct testimony and exhibits of Jay A. Rosen ("Mr. Rosen"), NCCI's actuary, and Dr. Leonard F. Herk ("Dr. Herk"), NCCI's economist. Through these testimonies, NCCI stated that the Application generally used the methodologies approved by the Commission or mutually agreed to by the Virginia Working Group ("Working Group"),<sup>4</sup> to calculate the advisory loss costs, assigned risk rates, and rating values, with certain identified exceptions,<sup>5</sup> and developed a proposed profit and contingency factor ("P&C Factor") of 1.5% for use in its methodology calculations.<sup>6</sup>

On September 16, 2022, the Commission's Bureau of Insurance ("Bureau") filed the direct testimony and exhibits of its actuary Scott J. Lefkowitz ("Mr. Lefkowitz"), and its economist, Dr. Raymond E. Spudeck ("Dr. Spudeck"). Through these testimonies, the Bureau accepted NCCI's proposed 1.5% P&C Factor as appropriate for this proceeding, without stipulating to the methodology used by NCCI to calculate this value.<sup>7</sup> The Bureau otherwise found the advisory loss costs and assigned risk rates proposed by NCCI in the Application to be acceptable.<sup>8</sup>

Though the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), the Iron Workers Employers Association, and the Washington Construction Employers Association (the "Associations") previously filed Notices of Participation, none filed direct testimony in response to the Application.

On October 26, 2022, the Hearing Examiner held a virtual hearing, using the Commission's web-based video platform, to consider the Application.<sup>9</sup> Charles H. Tenser, Esquire, appeared on behalf of NCCI; Patricia A.C. McCullagh, Esquire, appeared on behalf of the Bureau; C. Meade Browder, Esquire, and John Farmer, Esquire, appeared on behalf of Consumer Counsel; and Fred Codding, Esquire, appeared on behalf of the Associations. No public witnesses appeared to testify at the hearing. Further, the written direct testimonies of Mr. Rosen, Dr. Herk, Mr. Lefkowitz and Dr. Spudeck were admitted into evidence.

During the hearing, Consumer Counsel, through its counsel, asserted that it believed the rates proposed by NCCI in the Application were appropriate but, like the Bureau, did not stipulate to the methodologies used by NCCI to calculate the P&C Factor. The Associations did not present any testimony and did not raise any issues concerning the advisory loss costs, assigned risk rates or P&C Factor, but did express concern regarding how misclassification purportedly affects the premium being used by NCCI to set rates in Virginia. As such, the Associations requested that the Commission direct the Working Group to review what the Associations characterized as a "premium fraud" issue.<sup>10</sup>

On November 17, 2022, the Hearing Examiner issued a report ("Report") recommending that the Commission enter an order:

- (1) **APPROVING** NCCI's Application for revision of advisory loss costs and assigned risk workers' compensation insurance rates;
- (2) **DIRECTING** the new revised loss costs and assigned risk workers' compensation insurance rates be applied to new and renewal policies effective on and after April 1, 2023;
- (3) **DIRECTING** the Working Group and its members to continue to meet and address any ongoing concerns regarding Virginia's workers' compensation insurance rates, changes in workers' compensation insurance data, or any other item that could potentially impact the workers' compensation insurance ratemaking process in Virginia; and
- (4) **DISMISSING** this case.<sup>11</sup>

However, the Hearing Examiner did not recommend that the premium fraud issue proffered by the Associations be subject to review by the Working Group, as this type of investigation would fall beyond the scope of the Working Group's function.<sup>12</sup> The Report also directed that any comments to the Report be filed on or before December 8, 2022.

Consumer Counsel filed comments to the Report on December 8, 2022, reiterating its position that Consumer Counsel did not oppose the advisory loss costs and assigned risk rates proposed by NCCI in the Application, that Consumer Counsel did not endorse the methodologies used to calculate these values, and that the methodologies should be subject to ongoing review. None of the other participants filed comments to the Report.

<sup>4</sup> The Working Group was established upon prior direction of the Commission. The Working Group is tasked with using the expertise of its members to discuss and resolve specific actuarial or economic issues. The Working Group then presents these outcomes to the Commission with the intent to enhance the efficiency of these proceedings.

<sup>5</sup> See Ex. 4 (Rosen Direct) at 4-17.

<sup>6</sup> See Ex. 3 (Herk Direct) at 16 and Schedule LFH-1.

<sup>7</sup> See Ex. 6 (Spudeck Direct) at 5 and 12. As in prior years, the Commission is not adopting NCCI's proposed methodology for calculating the P&C Factor.

<sup>8</sup> See e.g. Ex. 7 (Lefkowitz Direct) at 3.

<sup>9</sup> See Motion to Convert to Virtual Hearing, October 3, 2022 (Doc. Con. Cen. No. 221010011) and Hearing Examiner's Ruling, October 5, 2022 (Doc. Con. Cen. No. 221010069).

<sup>10</sup> Tr. at 7-10, 42.

<sup>11</sup> Report at 16-17.

<sup>12</sup> *Id.* at 16.

NOW THE COMMISSION, upon consideration of this matter, concludes that the Hearing Examiner's findings and recommendations are reasonable, supported by law and the evidence, and should be adopted herein.<sup>13</sup> The Commission thus finds and ORDERS THAT:

(1) The findings and recommendations of the Hearing Examiner are adopted as set forth herein.

(2) The Hearing Examiner's findings and recommendations, as set forth above, are hereby ordered. Therefore, the following changes applicable to the voluntary market advisory loss costs and assigned risk rates shall be, and they are hereby, APPROVED for use with respect to new and renewal workers' compensation insurance policies effective on or after April 1, 2023:

**Advisory Loss Costs**

Industrial Classes (general)	6.8 % decrease
Federal Classes	14.8 % decrease
Surface Coal (Class 1005)	13.6 % decrease
Underground Coal (Class 1016)	12.4 % decrease

**Assigned Risk Rates**

Industrial Classes (general)	2.9 % decrease
Federal Classes	11.2 % decrease
Surface Coal (Class 1005)	15.1 % decrease
Underground Coal (Class 1016)	13.9 % decrease

(3) Consistent with the Hearing Examiner's Report, the Working Group is directed to meet, review, and attempt to reach consensus as to the most appropriate method to calculate Virginia voluntary market advisory loss costs and assigned risk rates for any future proceedings. However, the Working Group is not directed to evaluate the premium fraud issue proffered by the Associations.

(4) On or before June 5, 2023, NCCI, the Bureau, Consumer Counsel, and the Associations shall recommend jointly to the Commission a proposed schedule for any year 2024 voluntary market advisory loss costs and/or assigned risk rate revision proceeding before the Commission. The proposed schedule shall address: (1) "pre-filing" of any discovery requests by the Bureau, Consumer Counsel, and any other parties; (2) the date on which NCCI proposes to file with the Commission any voluntary market advisory loss costs and/or assigned risk rate revision application and its direct testimony; (3) the date on which NCCI proposes to file its responses to pre-filed discovery requests; (4) the dates for the pre-filing of the direct testimony of the Bureau, Consumer Counsel, and any respondents; (5) the date for filing by NCCI of its rebuttal testimony; and (6) the date(s) of any proposed hearing before the Commission.

<sup>13</sup> See, e.g., Report.

**CASE NO. INS-2022-00070  
JULY 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

AMERICAN MODERN HOME INSURANCE COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that American Modern Home Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated: § 38.2-317 A of the Code of Virginia ("Code") by failing to use an insurance policy or endorsement as of the effective date that such policy or endorsement was filed with the Commission; and § 38.2-1906 D of the Code by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings that are in effect for the company.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated March 2, 2022; has confirmed restitution was made to three consumers in the amount of Eighty-nine Dollars and Twenty-four Cents (\$89.24); has tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars (\$2,500); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00071  
JUNE 30, 2022**

APPLICATION OF  
TIME INSURANCE COMPANY

For approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia

**ORDER APPROVING APPLICATION**

By letter application ("Application") filed with the State Corporation Commission ("Commission") dated June 15, 2022, Time Insurance Company, in rehabilitation ("Time" or "Applicant"), a Wisconsin-domiciled insurer, by its Rehabilitator, the Wisconsin Office of the Commissioner of Insurance, requested approval of the assumption and transfer ("assumption reinsurance agreement") of 1,428 life insurance and annuity policies from Time to Talcott Resolution Life and Annuity Insurance Company ("Talcott"), a Connecticut-domiciled insurer, effective on July 1, 2022, pursuant to § 38.2-136 C of the Code of Virginia ("Code").

On April 10, 2019, the Commission entered an order suspending the license of Time to transact the business of insurance in the Commonwealth of Virginia.<sup>1</sup> On July 29, 2020, the Circuit Court of Dane County, Wisconsin, entered an order placing Time into rehabilitation.<sup>2</sup> Talcott is licensed to transact the business of insurance in the Commonwealth of Virginia and is in good standing.

Pursuant to § 38.2-136 C of the Code, the Applicant has requested that the Commission waive the policyholder consent to this transaction required by § 38.2-136 B of the Code because a delinquency proceeding has been instituted against Time for the purpose of rehabilitating the insurer. The assumption reinsurance agreement represents the Rehabilitator's plan to rehabilitate Time based on its determination of the best interest of policyholders.

The Bureau of Insurance ("Bureau"), having reviewed the Application to ensure that Virginia policyholders will not lose any rights or claims afforded under their original contracts pursuant to Chapter 17 of Title 38.2 of the Code, has recommended that the Application be approved.

NOW THE COMMISSION, having considered the Application, the recommendation of the Bureau, and the law applicable hereto, is of the opinion and finds that the Application should be approved.

Accordingly, IT IS ORDERED THAT the Application of Time Insurance Company for the approval of the assumption reinsurance agreement pursuant to § 38.2-136 C of the Code is hereby APPROVED.

<sup>1</sup> See *Commonwealth of Virginia, ex rel. State Corporation Commission v. Time Insurance Company*, Case No. INS-2019-00049, 2019 S.C.C. Ann. Rept. 78, Consent Order (April 10, 2019).

<sup>2</sup> *In re Rehab. of Time Ins. Co.*, No. 2020-cv-1054 (Wis. Cir. Ct. July 29, 2020), available at <https://oci.wi.gov/Documents/Companies/FinTime07292020OrderForRehabilitation.pdf>.

**CASE NO. INS-2022-00072  
JULY 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of Amending Rules Governing Insurance Holding Companies

**ORDER TO TAKE NOTICE**

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and § 38.2-223 of the Code provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy also may be found here: [law.lis.virginia.gov/admincode/title14/agency5/](http://law.lis.virginia.gov/admincode/title14/agency5/).

The Bureau of Insurance ("Bureau") has submitted to the Commission proposed revisions to the rules set forth in Chapter 260 of Title 14 of the Virginia Administrative Code, entitled "Rules Governing Insurance Holding Companies" ("Chapter 260").

The revisions to Chapter 260 are necessary to implement 2022 General Assembly Session amendments to § 38.2-1329 of the Code,<sup>1</sup> which require certain insurers that are members of an insurance holding company system to file a group capital calculation in accordance with the National Association of Insurance Commissioners ("NAIC") Group Capital Calculation Instructions. The proposed revisions to Chapter 260 establish criteria for when the Commissioner of Insurance may: (1) exempt an insurance holding company system from filing the annual group capital calculation; and (2) accept a limited filing or report. The proposed revisions also establish criteria for when a non-reciprocal jurisdiction is considered to recognize and accept the group capital calculation as the worldwide group capital assessment for the U.S. insurance groups that operate in that jurisdiction. The proposed revisions include changes to definitions to align those terms with the new, proposed criteria.

The General Assembly also amended § 38.2-1330 of the Code,<sup>2</sup> regarding provisions to ensure the continuity of essential services and functions to an insurer in receivership as well as to further clarify ownership of data and records of the insurer. The proposed revisions to Chapter 260 clarify that the terms of cost sharing agreements between an insurer and an affiliated entity must include terms related to the insurer's ownership of data and records; the duty of the affiliated entity to furnish data and records in usable format in the event of seizure, conservatorship or receivership; and the continued provision by an affiliate of essential services and systems in the event of seizure, conservatorship or receivership.

Additionally, the proposed revisions to Chapter 260 will more closely align the regulations with current guidance prepared by the NAIC in its Insurance Holding Company System Model Regulation, which was revised most recently in August 2021.

NOW THE COMMISSION is of the opinion that the proposal to amend the rules set forth in Chapter 260 of Title 14 of the Virginia Administrative Code as submitted by the Bureau should be considered for adoption with a proposed effective date of November 1, 2022.

Accordingly, IT IS ORDERED THAT:

(1) The proposed amendments to the Rules Governing Insurance Holding Companies, as set out at 14VAC 5-260-30, 14VAC5-260-80 and 14VAC5-260-87 of the Virginia Administrative Code, are attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to oppose, the adoption of the proposed amended rules shall file such comments or hearing request on or before September 15, 2022, with the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS-2022-00072. Any request for hearing shall state why a hearing is necessary and why the issues raised in the request for hearing cannot be addressed adequately in written comments. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information). All comments shall refer to Case No. INS-2022-00072.

(3) If no written request for a hearing on the adoption of the proposed amended rules as outlined in this Order is received on or before September 15, 2022, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may adopt the rules as submitted by the Bureau.

(4) The Bureau shall provide notice of the proposal to all carriers licensed in Virginia and to all interested persons.

(5) The Commission's Office of General Counsel shall cause a copy of this Order, together with the proposal to amend the rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposal on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(7) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (4) above.

(8) This matter is continued.

NOTE: A copy of the attachment entitled "Rules Governing Insurance Holding Companies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>1</sup> See 2022 Va. Acts Ch. 113.

<sup>2</sup> *Id.*

**CASE NO. INS-2022-00072  
SEPTEMBER 27, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of Amending Rules Governing Insurance Holding Companies

**ORDER ADOPTING REGULATIONS**

On July 26, 2022, the State Corporation Commission ("Commission") entered an Order to Take Notice to amend rules set forth in Chapter 260 of Title 14 of the Virginia Administrative Code, 14 VAC 5-260-10 *et seq.*, entitled "Rules Governing Insurance Holding Companies" ("Rules").

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Order to Take Notice and proposed amendments to the Rules were posted on the Commission's website, sent to all carriers licensed in Virginia that write insurance and to all persons known to the Bureau of Insurance ("Bureau") to have an interest on July 28, 2022, sent to the Virginia Attorney General's Division of Consumer Counsel ("Consumer Counsel"), and published in the *Virginia Register of Regulations* on August 15, 2022. Licensees, Consumer Counsel and other interested parties were afforded the opportunity to file written comments or request a hearing on or before September 15, 2022.

No comments were filed, and no request for a hearing was made, with the Clerk of the Commission.

The amendments to the Rules are necessary to implement amendments to § 38.2-1329 of the Code of Virginia ("Code"),<sup>1</sup> which require certain insurers that are members of an insurance holding company system to file a group capital calculation in accordance with the National Association of Insurance Commissioners Group Capital Calculation Instructions. The proposed amendments to the Rules establish criteria for when the Commissioner of Insurance may: (1) exempt an insurance holding company system from filing the annual group capital calculation; and (2) accept a limited filing or report. The proposed amendments also establish criteria for when a non-reciprocal jurisdiction is considered to recognize and accept the group capital calculation as the worldwide group capital assessment for the U.S. insurance groups that operate in that jurisdiction.

The proposed amendments to the Rules also reflect amendments to § 38.2-1330 of the Code,<sup>2</sup> regarding provisions to ensure the continuity of essential services and functions to an insurer in receivership as well as to further clarify ownership of data and records of the insurer. The proposed amendments to the Rules clarify that the terms of cost sharing agreements between an insurer and an affiliated entity must include terms related to the insurer's ownership of data and records; the duty of the affiliated entity to furnish data and records in usable format in the event of seizure, conservatorship or receivership; and the continued provision by an affiliate of essential services and systems in the event of seizure, conservatorship or receivership.

The Bureau has recommended to the Commission that the amendments to the Rules be adopted.

NOW THE COMMISSION, having considered the proposal to amend the Rules and the recommendation of the Bureau to adopt the amendments to the Rules, concludes that the attached amendments to the Rules should be adopted, effective November 1, 2022.

Accordingly, IT IS ORDERED THAT:

(1) The amendments to the "Rules Governing Insurance Holding Companies," as set out at 14 VAC 5-260-30, 14 VAC 5-260-80 and 14 VAC 5-260-87 of the Virginia Administrative Code, which are attached hereto and made a part hereof, are hereby ADOPTED effective November 1, 2022.

(2) The Bureau shall provide notice of the adopted amendments to the Rules to all carriers licensed in Virginia and to interested persons.

(3) The Commission's Office of General Counsel shall cause a copy of this Order and the amendments to the Rules to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) The Commission's Division of Information Resources shall make available this Order and the attached amendments on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(5) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (2) above.

(6) This case is dismissed.

NOTE: A copy of the attachment entitled "Rules Governing Insurance Holding Companies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>1</sup> See 2022 Va. Acts Ch. 113.

<sup>2</sup> *Id.*

**CASE NO. INS-2022-00073  
JULY 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of Repealing and Adopting Rules Governing Individual and Small Group Market Health Benefit Plans and Excepted Benefits Policies

**ORDER TO TAKE NOTICE**

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and § 38.2-223 of the Code provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy may also be found at the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

The Bureau of Insurance ("Bureau") proposes to update its current rules regarding accident and sickness insurance following significant changes in this area. As part of this update, the Bureau has submitted to the Commission a proposal to repeal two existing chapters and promulgate two new chapters. Specifically, the Bureau proposes to: (a) repeal the Rules in Chapter 120 of Title 14 of the Virginia Administrative Code entitled "Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act with Respect to Specified Disease Policies," which are set out at 14 VAC 5-120-10 through 14 VAC 5-120-100; (b) repeal the Rules in Chapter 140 of Title 14 of the Virginia Administrative Code entitled "Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act," which are set out at 14 VAC 5-140-10 through 14 VAC 5-140-100; (c) promulgate new Chapter 135 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Individual and Small Group Market Health Benefit Plans," which sets forth new rules at 14 VAC 5-135-10 through 14 VAC 5-135-60; and (d) promulgate new Chapter 141 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Accident and Sickness Excepted Benefits Policies; Short-Term Limited Duration Insurance," which sets forth new rules at 14 VAC 5-141-10 through 14 VAC 5-141-160.

The repeal of Chapters 120 and 140 as well as the adoption of Chapters 135 and 141 is necessary because of significant changes in the landscape of regulation pertaining to individual and small group health benefit plans, excepted benefits policies and short-term limited duration insurance in the last decade. Separate and distinct requirements for most health benefit plans now exist, and a bright line divides these types of plans and "excepted benefits" policies (as identified and defined in the Code of Virginia as well as the federal Public Health Service Act, 42 USC § 201 *et seq.*). In light of these changes, the Bureau recommends repealing outdated rules and implementing new, separate chapters that distinguish these two major categories of accident and sickness insurance to clearly identify the requirements for each category. Furthermore, these new chapters implement the provisions of Chapters 34 (§ 38.2-3400 *et seq.*) and 35 (§ 38.2-3500 *et seq.*) of Title 38.2 of the Code.

NOW THE COMMISSION is of the opinion that Chapter 120 and Chapter 140 of Title 14 of the Virginia Administrative Code should be repealed and that proposed new rules outlined at Chapter 135 and Chapter 141 as submitted by the Bureau should be considered for adoption on or about January 1, 2023.

Accordingly, IT IS ORDERED THAT:

(1) The proposal to repeal Rules at Chapter 120 entitled "Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act with Respect to Specified Disease Policies" and Chapter 140 entitled "Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act," and to adopt proposed new Rules designated as Chapter 135 entitled "Rules Governing Individual and Small Group Market Health Benefit Plans" and Chapter 141 entitled "Rules Governing Accident and Sickness Excepted Benefits Policies; Short-Term Limited Duration Insurance," are attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to consider, the repeal of Chapters 120 and 140 and the adoption of proposed Chapters 135 and 141 shall file such comments or hearing request on or before September 30, 2022, with the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information). All comments shall refer to Case No. INS-2022-00073.

(3) If no written request for a hearing on the proposal to repeal and adopt new rules as outlined in this Order is received on or before September 30, 2022, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may repeal and adopt the rules as submitted by the Bureau.

(4) The Bureau shall provide notice of the proposal to repeal and adopt the new rules to all carriers licensed in Virginia to write accident and sickness insurance and to all interested persons.

(5) The Commission's Office of General Counsel shall cause a copy of this Order, together with the proposal to repeal and adopt new rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposal on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(7) The Bureau shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of Ordering Paragraph (4) above.

NOTE: A copy of the attachment entitled Chapter 120 "Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act with Respect to Specified Disease Policies (Repealed)" and Chapter 140 entitled "Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act (Repealed)," and to adopt proposed new Rules designated as Chapter 135 entitled "Rules Governing Individual and Small Group Market Health Benefit Plans" and Chapter 141 entitled "Rules Governing Accident and Sickness Excepted Benefits Policies; Short-Term Limited Duration Insurance" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. INS-2022-00073  
DECEMBER 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of Repealing and Adopting Rules Governing Individual and Small Group Market Health Benefit Plans and Excepted Benefits Policies

**ORDER REPEALING AND ADOPTING REGULATIONS**

On July 15, 2022, the State Corporation Commission ("Commission") entered an Order to Take Notice proposing to update its current rules regarding accident and sickness insurance following significant changes in this area. As part of this update, the Bureau of Insurance ("Bureau") submitted to the Commission a proposal to repeal two existing chapters and promulgate two new chapters of the Virginia Administrative Code.

Specifically, the order proposed to: (a) repeal Chapter 120 of Title 14 of the Virginia Administrative Code entitled "Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act with Respect to Specified Disease Policies," set out at 14 VAC 5-120-10 through 14 VAC 5-120-100; (b) repeal Chapter 140 of Title 14 of the Virginia Administrative Code entitled "Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act," set out at 14 VAC 5-140-10 through 14 VAC 5-140-100; (c) promulgate new Chapter 135 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Individual and Small Group Market Health Benefit Plans," which sets forth new rules at 14 VAC 5-135-10 through 14 VAC 5-135-60; and (d) promulgate new Chapter 141 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Accident and Sickness Excepted Benefits Policies; Short-Term Limited Duration Insurance," which sets forth new rules at 14 VAC 5-141-10 through 14 VAC 5-141-160.

The Bureau has recommended the repeal of Chapters 120 and 140 as well as the adoption of Chapters 135 and 141 as necessary revisions because of significant changes in the regulation of individual and small group health benefit plans, excepted benefits policies, and short-term limited duration insurance in the last decade. The Bureau has noted that separate and distinct requirements for most health benefit plans now exist, and a bright line divides these types of plans and "excepted benefits" policies as defined in § 38.2-3431 of the Code of Virginia ("Code") as well as the federal Public Health Service Act, 42 U.S.C. § 201 *et seq.* In light of these changes, the Bureau recommends repealing outdated rules and implementing new, separate chapters to clearly identify the requirements for each category of policies. Furthermore, proposed Chapters 135 and 141 implement the provisions of Chapters 34 (§ 38.2-3400 *et seq.*) and 35 (§ 38.2-3500 *et seq.*) of Title 38.2 of the Code.

The Order to Take Notice and proposed rules were posted on the Commission's website, sent to all carriers licensed in Virginia to write accident and sickness insurance and to all interested persons known to the Bureau to have an interest in life and health insurance on July 22, 2022, sent to the Virginia Attorney General's Division of Consumer Counsel ("Consumer Counsel"), and published in the *Virginia Register of Regulations* on August 15, 2022. Licensees, Consumer Counsel and other interested persons were afforded the opportunity to file written comments or request a hearing on or before September 30, 2022.

The Bureau received six sets of comments to the proposed rules, which were filed by the following: Health Benefits Institute; Delta Dental of Virginia; Virginia Association of Health Plans; UnitedHealthcare; American Council of Life Insurers; and William Schiffbauer on his own behalf. No request for a hearing was filed with the Clerk of the Commission ("Clerk").

The Bureau considered the comments filed and responded to them in its Response to Comments ("Response"), which the Bureau filed with the Clerk on November 10, 2022. In its Response, the Bureau addressed the comments and either recommended that various sections of the proposed rules be amended or indicated why it did not believe suggested revisions were authorized or warranted.

NOW THE COMMISSION, having considered the proposal to repeal and adopt rules, the comments filed, and the Bureau's Response, concludes that Chapters 120 and 140 of the Virginia Administrative Code should be repealed effective January 1, 2023, and that the proposed regulations should be adopted by the Commission, as modified and attached hereto effective January 1, 2023. The new rules shall be applicable to any new form submitted to the Bureau for review on or after the effective date.

Accordingly, IT IS ORDERED THAT:

(1) Chapter 120 of Title 14 of the Virginia Administrative Code entitled "Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act with Respect to Specified Disease Policies," set out at 14 VAC 5-120-10 through 14 VAC 5-120-100, and Chapter 140 of Title 14 of the Virginia Administrative Code entitled "Rules Governing the Implementation of the Individual Accident and Sickness Insurance Minimum Standards Act," set out at 14 VAC 5-140-10 through 14 VAC 5-140-100 are hereby REPEALED effective January 1, 2023.

(2) Chapter 135 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Individual and Small Group Market Health Benefit Plans," set out at 14 VAC 5-135-10 through 14 VAC 5-135-60, and Chapter 141 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Accident and Sickness Excepted Benefits Policies; Short-Term Limited Duration Insurance," set out at 14 VAC 5-141-10 through 14 VAC 5-141-160, as modified and attached hereto, are hereby ADOPTED effective January 1, 2023. The new rules shall be applicable to any new form submitted to the Bureau for review on or after the effective date.

(3) The Bureau shall provide notice of the repeal and adoption of rules to all carriers licensed in Virginia to write accident and sickness insurance and to all persons known to the Bureau to have an interest in life and health insurance.

(4) This Order and the attached regulations shall be made available on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(5) The Commission's Office of General Counsel shall provide a copy of this Order and the regulations to the Virginia Registrar of Regulations for publication in the *Virginia Register of Regulations*.

(6) The Bureau shall file with the Clerk an affidavit of compliance with the notice requirements of Ordering Paragraph (3) above.

(7) This case is dismissed.

NOTE: A copy of the attachment entitled "Rules Governing Individual and Small Group Market Health Benefit Plans" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. INS-2022-00076  
AUGUST 10, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Berkshire Hathaway Homestate Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings that are in effect for the Defendant.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company electronic correspondence dated February 14, 2022, March 8, 2022, and July 11, 2022; has confirmed restitution was made to 242 consumers in the amount of Fifty-seven Thousand One Hundred Eighteen Dollars and Thirty-five Cents (\$57,118.35); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00077  
AUGUST 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

COUNSEL TITLE, LLC,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Counsel Title, LLC ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 55.1-1014 A of the Code of Virginia ("Code") by conducting a settlement on a Virginia property on April 29, 2022 without being registered with the Bureau as required; § 55.1-1008 A of the Code by failing to handle funds in a fiduciary capacity as evidenced by the Bureau's investigation that revealed four outstanding disbursements held in excess of one year and one negative file balance; and 14 VAC 5-395-30 A of the Virginia Administrative Code, 14 VAC 5-395-10 *et seq.*, by failing to register with the Bureau in accordance with the provisions of § 55.1-1014 of the Code.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 55.1-1015 of the Code to impose certain monetary penalties, issue cease and desist orders, and revoke or suspend a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to (i) immediately re-disperse stale settlement disbursements to their rightful owners, (ii) immediately fund all negative file balances, and (iii) cease and desist from conducting settlements on property located in the Commonwealth of Virginia until the Defendant is registered with the Bureau as required. The Defendant has tendered to the Treasurer of Virginia the sum of Five Hundred Dollars (\$500), and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00080  
AUGUST 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
DONNIS COKE,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Donnis Coke ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on February 23, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated June 17, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's June 17, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00081  
OCTOBER 12, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ELIAS J. COSMA,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1809 A of the Code of Virginia ("Code") by failing to respond to Commission employees or agents during an investigation; and § 38.2-1826 (A) of the Code by failing to report within thirty (30) calendar days to the Commission and to every insurer for which the Defendant is appointed any change in the Defendant's residence address, email address, or name.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 3, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 3, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1809 (A) of the Code by failing to respond to Commission employees or agents during an investigation; and § 38.2-1826 (A) of the Code by failing to report within thirty (30) calendar days to the Commission and to every insurer for which the Defendant is appointed any change in the Defendant's residence address, email address, or name.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00082  
AUGUST 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

KRISTINA RENEE GODFREY,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kristina Renee Godfrey ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in California on November 5, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 26, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00083  
AUGUST 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
ABDI JEAN PIERRE,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Abdi Jean Pierre ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on May 26, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 27, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 27, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00084  
SEPTEMBER 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MAKIYAH MCGRUDER,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Makiyah McGruder ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on February 5, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated June 17, 2022 that was mailed to the Defendant's address shown in the records of the Bureau and copied to two additional addresses where the Bureau learned the Defendant might receive mail.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's June 17, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00086  
SEPTEMBER 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ANDRES TORO,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Andres Toro ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on July 8, 2020.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 23, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 23, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00087  
SEPTEMBER 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
NICHOLAS VANVONDEREN,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Nicholas Vanvonderen ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on August 27, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 27, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 27, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed.

**CASE NO. INS-2022-00089  
NOVEMBER 1, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

WILLIAM BRAULT,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that William Brault ("Brault" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect and untrue information in the license application filed with the Commission on April 22, 2022; and § 38.2-1831 (9) of the Code by having been convicted of a felony.

Brault is a South Carolina resident licensed with the following line of authority: Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission. In settlement, the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective September 23, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of one (1) year from September 23, 2022.

The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00091  
NOVEMBER 18, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

LESLIE M. FONTENOT,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Leslie M. Fontenot ("Defendant") duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application or any other document filed with the Commission; and § 38.2-1831 (9) of the Code by having been convicted of a felony.

Fontenot is a Louisiana resident licensed with the following line of authority: Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission. In settlement, the Defendant has waived the right to a hearing; has agreed to the suspension of her license for a period of ninety (90) days effective from the entry of this order; and has agreed not to transact the business of insurance in Virginia for a period of ninety (90) days effective from the entry of this order.

The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is hereby accepted.
- (2) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby **SUSPENDED** for a period of ninety (90) days.
- (3) All appointments issued under said license are hereby **VOID** for a period of ninety (90) days.
- (4) The Defendant shall transact no further business in Virginia as an insurance agent for a period of ninety (90) days.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. INS-2022-00092  
OCTOBER 27, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
KODIE JEROME HERTEL,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kodie Jerome Hertel ("Hertel" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect and untrue information in the license application filed with the Commission on April 5, 2021.

Hertel is a New York resident licensed with the following line of authority: Personal Lines.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective September 13, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of one (1) year from September 13, 2022.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00094  
SEPTEMBER 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

DALPHANI LAVONNE ROGERS,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Dalphani Lavonne Rogers ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission on November 11, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated June 17, 2022 that was mailed to the Defendant's address shown in the records of the Bureau, and was also e-mailed to the Defendant's updated e-mail address on July 20, 2022.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's June 17, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00095  
OCTOBER 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

WILLIAM THOMAS SUTPHIN,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that William Thomas Sutphin ("Sutphin" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 A of the Code of Virginia ("Code") by making or causing or allowing to be made false or fraudulent statements or representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from an individual; § 38.2-1812.2 A 1 of the Code by failing to obtain the applicant's consent in writing regarding the services for which the fees are charged; and § 38.2-1822 of the Code by knowingly permitting an agency to act, in this Commonwealth as an agent of an insurer licensed to transact the business of insurance in this Commonwealth without first obtaining a license in a manner and in a form prescribed by the Commission; and § 38.2-1826 C of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction or by another governmental agency in Virginia when the Defendant failed to report an administrative action taken against the Defendant in Virginia in April 2022.

Sutphin is a Virginia resident licensed with the following line of authority: Property & Casualty.



ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective August 8, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from August 8, 2022.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00102  
OCTOBER 17, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
NATIONAL LINK LP,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that National Link LP ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1825 F of the Code of Virginia ("Code") by failing to designate within thirty (30) calendar days a new licensed producer, as required, when the Defendant lost its previous designated licensed producer; § 55.1-903 of the Code by failing to record a deed, by not disbursing settlement proceeds within two business days of settlement, and by disbursing settlement funds prior to recordation without written instructions; § 55.1-1008 A 1 of the Code by failing to handle funds in connection with a settlement in a fiduciary capacity by failing to deposit said funds no later than the close of the second business day when the Defendant joined settlement disbursements on various files to a common payee; § 55.1-1008 B 2 of the Code by failing to disburse settlement funds pursuant to a written agreement when the Defendant disbursed funds to a party not listed on the settlement statement; as well as 14 VAC 5-395-50 D of the Commission's Rules Governing Settlement Agents of the Virginia Administrative Code, 14 VAC 5-395-10 *et seq.* ("Rules") by failing to comply with the annual escheatment requirement for unclaimed property as revealed during the Bureau's review of the Defendant's Virginia escrow accounts that identified outstanding disbursements from 2016 through 2017; and Rule 14 VAC 5-395-75 (7) by failing to appoint a designated licensed producer by the same title insurance company as its employer settlement agent.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 55.1-1015 of the Code to impose certain monetary penalties, issue cease and desist orders, and revoke or suspend a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to the Treasurer of Virginia the sum of Five Thousand Dollars (\$5,000); has agreed to provide verification to the Bureau, within 180 days from the date of this Settlement Order, that outstanding file disbursements associated with settlements twelve (12) months and older have been reissued and negotiated with the identified owners and/or escheated to the Virginia Department of Treasury; and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00107  
DECEMBER 5, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

CHRISTIAN MOSHI,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Christian Moshi ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect or untrue information in the license application filed with the Commission on May 17, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 19, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 19, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00110  
OCTOBER 12, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ADAM ABDULLAH,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Adam Abdullah ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 (A) of the Code of Virginia ("Code") by failing to, at the time of applying for a license, pay a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 31, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 31, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1819 (A) of the Code by failing to, at the time of applying for a license, pay a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00111  
OCTOBER 14, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
TAMI DELONG,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Tami Delong ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in the state of Washington on April 9, 2021, in Indiana on June 14, 2021, in Wisconsin on November 30, 2021, in Pennsylvania on December 13, 2021, in South Dakota on December 20, 2021, and in Wisconsin on January 19, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letters dated April 22, 2022 and June 8, 2022, that were mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau and provided by the United States Postal Service.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 22, 2022 and June 8, 2022 letters.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00112  
OCTOBER 12, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MARIO HUMBERTO PINZON,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Mario Humberto Pinzon ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in New York on November 5, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 27, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's May 27, 2022, letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00113  
OCTOBER 14, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
TIMOTHY FRANCIS PREM, JR.,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Timothy Francis Prem, Jr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Nevada on March 26, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 26, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00114  
OCTOBER 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
SEEK INSURANCE SERVICES, INC.,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Seek Insurance Services, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in New Jersey on December 7, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 22, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's April 22, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agency.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agency is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agency.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agency in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00115  
AUGUST 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ACE AMERICAN INSURANCE COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that ACE American Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies that were not in accordance with the rate and supplementary rate information filings that are in effect for the insurer.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated June 2, 2022 and June 17, 2022, has confirmed that restitution was made to 21 consumers in the amount of Four Hundred Forty-five Dollars (\$445), has tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars (\$2,500), and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00116  
AUGUST 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

FBALLIANCE INSURANCE INC.,  
Defendants

**SETTLEMENT ORDER**

Based on a market conduct investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that FBAlliance Insurance Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1906 A of the Code of Virginia ("Code") by failing to file with the Commission certain rate and supplementary rate information for use in Virginia on or before the date it became effective.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated May 18, 2022; has confirmed restitution was made to 466 consumers in the amount of Sixty-nine Thousand Seven Hundred Eighty-eight Dollars and Twenty-eight Cents (\$69,788.28); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00119  
SEPTEMBER 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MILLERS CAPITAL INSURANCE COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Millers Capital Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 A of the Code of Virginia ("Code") by failing to file with the Commission certain rates and supplementary rate information for use in Virginia on or before the date they become effective.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated February 8, 2022, and March 25, 2022; has confirmed that restitution was made to 2 consumers in the amount of Five Hundred Sixty Dollars (\$560); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00121  
NOVEMBER 17, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

PEST ELIMINATORS LLC, and MARK THOMAS FARMER,  
Defendants

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Pest Eliminators LLC and Mark Thomas Farmer (collectively, "Defendants") violated § 38.2-518 F of the Code of Virginia ("Code") by knowingly issuing a certificate of insurance that contained false information.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars (\$2,500), have agreed to cease and desist from future violations of § 38.2-518 F of the Code, and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) The Defendants shall immediately cease and desist from violating § 38.2-518 F of the Code.
- (3) This case is dismissed.

**CASE NO. INS-2022-00123  
NOVEMBER 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

TIFFANY SMITH,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Tiffany Smith ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1809 of the Code of Virginia ("Code") by failing or refusing to permit the Commission or any of its employees or agents, including employees of the Bureau, to make an examination of the Defendant's insurance records.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated July 27, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's July 27, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1809 of the Code by failing or refusing to permit the Commission or any of its employees or agents, including employees of the Bureau, to make an examination of the Defendant's insurance records.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00124  
OCTOBER 24, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ALLSTATE PROPERTY & CASUALTY INSURANCE COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Allstate Property & Casualty Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies that were not in accordance with the rate and supplementary rate information filings that are in effect for the insurer.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission. Through its settlement offer, the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated July 29, 2022 and August 8, 2022, has tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars (\$2,500), and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00127  
NOVEMBER 1, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

TRAVELERS PERSONAL INSURANCE COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Travelers Personal Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings that are in effect for the company.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission. Through its settlement offer, the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated May 2, 2022; has confirmed that restitution was made to 728 consumers in the total amount of One Hundred Sixty-seven Thousand Four Hundred Twenty-seven Dollars and Thirty-one Cents (\$167,427.31); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

1. The Defendant's settlement offer is hereby accepted.
2. This case is dismissed.

**CASE NO. INS-2022-00129  
OCTOBER 24, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

CHUBB NATIONAL INSURANCE COMPANY, and FEDERAL INSURANCE COMPANY,  
Defendants

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Chubb National Insurance Company and Federal Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies that were not in accordance with the rate and supplementary rate information filings that are in effect for the insurer.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission. Through their settlement offer, the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated May 2, 2022, have confirmed that restitution was made to 123 consumers in the amount of One Thousand Four Hundred Thirty-three Dollars (\$1,433), and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendants' settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendants' settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00130  
OCTOBER 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

HARTFORD CASUALTY INSURANCE COMPANY, HARTFORD INSURANCE COMPANY OF THE MIDWEST,  
TWIN CITY FIRE INSURANCE COMPANY, and HARTFORD FIRE INSURANCE COMPANY,  
Defendants

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Hartford Casualty Insurance Company, Hartford Insurance Company of the Midwest, Twin City Fire Insurance Company, and Hartford Fire Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-317 A of the Code of Virginia ("Code") by delivering or issuing an insurance policy form or endorsement without having filed such policy forms or endorsements with the Commission and without receiving Commission approval of such policy forms or endorsements in writing; and violated § 38.2-1906 A of the Code by failing to file with the Commission certain rates and supplementary rate information for use in Virginia on or before the date they become effective.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission. Through their settlement offer, the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated May 4, 2022, and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendants' settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendants' settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendants' settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00131  
OCTOBER 26, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

BERKLEY NATIONAL INSURANCE COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Berkley National Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies that were not in accordance with the rate and supplementary rate information filings that are in effect for the insurer.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission. Through its settlement offer, the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated September 19, 2022, has tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars (\$2,500), and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00138  
OCTOBER 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
SADIA REDDEN,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Sadia Redden ("Redden" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in Louisiana on May 5, 2022 and in Pennsylvania on May 26, 2022; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, and untrue information in the license application filed with the Commission on December 23, 2021; and § 38.2-1831 (9) of the Code by having been convicted of a felony.

Redden is a Florida resident licensed with the following line of authority: Health.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter, whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission, wherein the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective September 20, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of one (1) year from September 20, 2022.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00141  
OCTOBER 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

WESTFIELD INSURANCE COMPANY and WESTFIELD NATIONAL INSURANCE COMPANY,  
Defendants

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Westfield Insurance Company and Westfield National Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-2206 A of the Code of Virginia ("Code") by issuing or delivering policies of motor vehicle insurance without an endorsement or provisions for uninsured or underinsured motorist insurance coverage.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission. Through their settlement offer, the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated April 26, 2021, August 2, 2021 and September 6, 2022; have confirmed that restitution was made to five consumers in the total amount of One Hundred Eight Thousand Eight Hundred Eight Dollars and One Cent (\$108,808.01); have tendered to the Treasurer of Virginia the sum of Five Thousand Dollars (\$5,000); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendants' settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendants' settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendants' settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00142  
OCTOBER 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

HARTFORD INSURANCE COMPANY, PROPERTY CASUALTY INSURANCE COMPANY OF HARTFORD,  
TRUMBULL INSURANCE COMPANY, and TWIN CITY FIRE INSURANCE COMPANY,  
Defendants

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Hartford Casualty Insurance Company, Property Casualty Insurance Company of Hartford, Trumbull Insurance Company, and Twin City Fire Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies that were not in accordance with the rate and supplementary rate information filings that are in effect for the insurer.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission. Through their settlement offer, the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated November 18, 2021, November 19, 2021, November 23, 2021, and May 13, 2022; have confirmed that restitution was made to 414 consumers in the total amount of Thirty Thousand Thirty Dollars and Forty-eight Cents (\$30,030.48); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendants' settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendants' settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendants' settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00143  
OCTOBER 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

CENTRAL MUTUAL INSURANCE COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Central Mutual Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies that were not in accordance with the rate and supplementary rate information filings that are in effect for the insurer.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission. Through its settlement offer, the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated March 4, 2022, March 14, 2022 and September 16, 2022; confirmed that restitution was made to four consumers in the total amount of Ten Thousand Eight Hundred Fifty-one Dollars and Fifty-two Cents (\$10,851.52); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00146  
NOVEMBER 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MINDY CARPENTER,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Mindy Carpenter ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Pennsylvania July 11, 2022; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading or untrue information in the license application filed with the Commission on February 21, 2022; and § 38.2-1831 (9) of the Code by having been convicted of a felony.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 2, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 2, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within thirty (30) calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading or untrue information in the license application filed with the Commission; and § 38.2-1831 (9) of the Code by having been convicted of a felony.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00147  
NOVEMBER 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
NICHOLAS MEYER,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Nicholas Meyer ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 (A) of the Code of Virginia ("Code") by failing to, at the time of applying for a license, pay a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 19, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 19, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1819 (A) of the Code by failing to, at the time of applying for a license, pay a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00151  
NOVEMBER 17, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

CHURCH MUTUAL INSURANCE COMPANY, S.I.,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Church Mutual Insurance Company, S.I. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-317 H of the Code of Virginia ("Code") by failing to notify the Commission prior to the effective date of the filing that the insurer is not going to accept insurance policies or endorsements filed on its behalf by its rate service organization; and violated § 38.2-1906 D of the Code by making or issuing insurance contracts or policies that were not in accordance with the rate and supplementary rate information filings that are in effect for the insurer.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission. Through its settlement offer, the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated August 25, 2022 and September 1, 2022; and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00152  
NOVEMBER 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

NOVA CASUALTY COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Nova Casualty Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-317 H of the Code of Virginia ("Code") by failing to notify the Commission prior to the effective date of the filing that the insurer is not going to accept insurance policies or endorsements filed on its behalf by its rate service organization; and violated § 38.2-1906 D of the Code by making or issuing insurance contracts or policies that were not in accordance with the rate and supplementary rate information filings that are in effect for the insurer.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission. Through its settlement offer, the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated September 9, 2022; and has waived the right to a hearing.



The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00153  
NOVEMBER 1, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
FREDERICK MUTUAL INSURANCE COMPANY,  
Defendant

**SETTLEMENT ORDER**

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Frederick Mutual Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies that were not in accordance with the rate and supplementary rate information filings that are in effect for the insurer.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission. Through its settlement offer, the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated May 5, 2022 and June 17, 2022; has confirmed that restitution was made to 11 consumers in the total amount of Two Hundred Eighty-five Dollars and Fourteen Cents (\$285.14); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00154  
OCTOBER 27, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of amending Rules Governing Standards for the Content of Dwelling Property Insurance Policies and Rules Governing Standards for the Content of Homeowners Insurance Policies

**ORDER TO TAKE NOTICE**

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("Commission") shall have the power to promulgate rules and regulations in the enforcement and administration of all laws within its jurisdiction, and § 38.2-223 of the Code provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code. Section 38.2-2108 of the Code provides that the Commission may establish standards for the content of policies written to insure owner-occupied dwellings issued or delivered in the Commonwealth.<sup>1</sup>

The rules and regulations issued by the Commission pursuant to §§ 38.2-223 and 38.2-2108 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy may also be found at the Commission's website: [law.lis.virginia.gov/admincode/title14/agency5/](http://law.lis.virginia.gov/admincode/title14/agency5/).

The Bureau of Insurance ("Bureau") has submitted to the Commission proposed amendments to the Rules Governing Standards for the Content of Dwelling Property Insurance Policies (14 VAC 5-341-10 *et seq.*) and Rules Governing Standards for the Content of Homeowners Insurance Policies (14 VAC 5-342-10 *et seq.*) ("Amended Rules").<sup>2</sup> Specifically, and solely, the Bureau proposes changing the deadline to submit filings for compliance from December 31, 2022 to May 1, 2023; and proposes to require compliance for policies delivered or issued for delivery in Virginia from those with effective dates on and after July 1, 2023, to those with effective dates on and after December 31, 2023. The Bureau believes the proposed Amended Rules will facilitate effective and efficient review and approval of filings of dwelling property and homeowners insurance policies in compliance with the Commission's regulations.

NOW THE COMMISSION, having considered the Bureau's proposal, is of the opinion and finds that reasonable notice of the proposed Amended Rules should be given, interested parties should be afforded an opportunity to be heard in accordance with the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, and the proposed Amended Rules should be considered for adoption with a proposed effective date of December 31, 2022.

Accordingly, IT IS ORDERED THAT:

(1) The proposed Amended Rules are attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to consider, the proposed Amended Rules shall file such comments or hearing request on or before December 5, 2022, with the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Requests for a hearing shall state why a hearing is necessary and why the issues cannot be adequately addressed in written comments. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information). All comments shall refer to Case No. INS-2022-00154.

(3) The Bureau shall file its response to any comments filed pursuant to Ordering Paragraph (2) on or before December 7, 2022.

(4) The Bureau shall provide notice of the proposed Amended Rules to all carriers licensed in Virginia to write fire and homeowners insurance and to all interested persons.

(5) The Commission's Office of General Counsel shall cause a copy of this Order, together with the proposed Amended Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposed Amended Rules on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(7) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (4) above.

NOTE: A copy of the attachment entitled "Chapter 341 and 342 Rules Governing Standards for the Content of Dwelling Property and Homeowners Insurance" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>1</sup> The Commission adopted the current Rules Governing Standards for the Content of Dwelling Property Insurance Policies (14 VAC 5-341-10 *et seq.*) and Rules Governing Standards for the Content of Homeowners Insurance Policies (14 VAC 5-342-10 *et seq.*) effective January 1, 2022. See *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of Repealing Rules Governing Standards for the Content of Fire Insurance or Fire Insurance in Combination with Other Coverages, Adopting New Rules Governing Standards for the Content of Dwelling Property Insurance Policies and Adopting New Rules Governing Standards for the Content of Homeowners Insurance Policies*, Case No. INS-2021-00092, 2021 S.C.C. Ann. Rept. 132, Order Repealing and Adopting Regulations (Dec. 17, 2021).

<sup>2</sup> The Bureau proposes amendments to 14VAC5-341-10 B and 14VAC5-342-10 B, which contain identical language.

**CASE NO. INS-2022-00154  
DECEMBER 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of amending Rules Governing Standards for the Content of Dwelling Property Insurance Policies and Rules Governing Standards for the Content of Homeowners Insurance Policies

**ORDER ADOPTING REGULATIONS**

On October 27, 2022, the State Corporation Commission ("Commission") entered an Order to Take Notice to amend rules set forth in Chapter 341 of the Virginia Administrative Code, 14 VAC 5-341-10 *et seq.*, entitled "Rules Governing Standards for the Content of Dwelling Property Insurance Policies," and Chapter 342 of the Virginia Administrative Code, 14 VAC 5-342-10 *et seq.*, entitled "Rules Governing Standards for the Content of Homeowners Insurance Policies" ("Rules").

Specifically, and solely, the Commission's Bureau of Insurance ("Bureau") proposes changing the deadline to submit filings for compliance from December 31, 2022 to May 1, 2023; and proposes to require compliance for policies delivered or issued for delivery in Virginia from those with effective dates on and after July 1, 2023, to those with effective dates on and after December 31, 2023.<sup>1</sup>

The Order to Take Notice and proposed amendments to the Rules were posted on the Commission's website; sent to all carriers licensed in Virginia to write fire and homeowners insurance and to all interested persons on October 31, 2022; sent to the Office of the Virginia Attorney General's Division of Consumer Counsel ("Consumer Counsel"); and published in the Virginia Register of Regulations on November 21, 2022. Licensees, Consumer Counsel, and other interested parties were afforded the opportunity to file written comments and request a hearing on or before December 5, 2022.

The Bureau received four comments to the proposed amendments to the Rules, which were filed by the following: American Association of Insurance Services; Insurance Services Office, Inc.; National Association of Mutual Insurance Companies; and American Property and Casualty Insurance Association. The Commission received no request for a hearing.

The Bureau considered the comments filed and responded to such comments in its Response to Comments ("Response"), filed with the Clerk of the Commission on December 6, 2022. In its Response, the Bureau indicates why it does not believe that suggested revisions are warranted.

NOW THE COMMISSION, having considered the proposal to amend the Rules, the comments filed, and the recommendation of the Bureau to adopt the amendments to the Rules, concludes that the attached amendments to the Rules should be adopted, effective December 31, 2022.

Accordingly, IT IS ORDERED THAT:

(1) The amendments to "Rules Governing Standards for the Content of Dwelling Property Insurance Policies," 14 VAC 5 341-10 *et seq.* of the Virginia Administrative Code and "Rules Governing Standards for the Content of Homeowners Insurance Policies," 14 VAC 5-342-10 *et seq.* of the Virginia Administrative Code, which are attached hereto and made a part hereof, are hereby ADOPTED effective December 31, 2022.

(2) The Bureau shall provide notice of the adopted amendments to the Rules to all carriers licensed in Virginia to write fire and homeowners insurance and to all persons known to the Bureau to have an interest in fire and homeowners insurance.

(3) The Commission's Office of General Counsel shall cause a copy of this Order and the amendments to the Rules to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) The Commission's Division of Information Resources shall make available this Order and the attached amendments on the Commission's website: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).

(5) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (2) above.

(6) This case is dismissed.

NOTE: A copy of the attachment entitled "Chapter 341 and 342 Rules Governing Standards for the Content of Dwelling Property and Homeowners Insurance" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>1</sup> The Bureau proposed amendments to 14VAC5-341-10 B and 14VAC5-342-10 B that contain identical language.

**CASE NO. INS-2022-00156  
DECEMBER 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

BRENDAN J. LAING,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Brendan J. Laing ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, incomplete, or untrue information in the license application filed with the Commission on July 12, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 19, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 19, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, incomplete, or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00159  
DECEMBER 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

AMIR ASKEW,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Amir Askew ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in New York on March 12, 2021 and in North Carolina on February 23, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 19, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 19, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00160  
DECEMBER 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
RAASHAWYN BUSH,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Raashawyn Bush ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Kansas on May 18, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 19, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 19, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00161  
DECEMBER 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

DARRYL GREENIDGE,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Darryl Greenidge ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Illinois on February 7, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 26, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this

Order.

- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00163  
DECEMBER 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
BEAUJOLAIS C. RODRIGUEZ,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Beaujolais C. Rodriguez ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 A of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days any change in the Defendant's residence address, email address, or name; and § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Louisiana on March 23, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 26, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 A of the Code by failing to report to the Commission within 30 calendar days any change in the Defendant's residence address, email address, or name; and § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00165  
DECEMBER 2, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
SELECTIVE INSURANCE COMPANY OF SOUTH CAROLINA, SELECTIVE INSURANCE COMPANY OF THE SOUTHEAST,  
SELECTIVE INSURANCE COMPANY OF AMERICA, SELECTIVE WAY INSURANCE COMPANY,  
Defendants

**SETTLEMENT ORDER**

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Selective Insurance Company of South Carolina, Selective Insurance Company of the Southeast, Selective Insurance Company of America, and Selective Way Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies that were not in accordance with the rate and supplementary rate information filings that are in effect for the insurer.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission. Through their settlement offer, the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated October 11, 2022; have tendered to the Treasurer of Virginia the sum of Five Thousand Dollars (\$5,000) for each of the Defendant companies for a total of Twenty Thousand Dollars (\$20,000); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the Defendants' settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendants' settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendants' settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00166  
DECEMBER 9, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

DEONDRA ABRAMS,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Deondra Abrams ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 A of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days any change in the Defendant's residence address, email address, or name; and § 38.2-1831 (1) of the Code by providing materially incorrect, incomplete, or untrue information in the license application filed with the Commission on October 2, 2020.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 26, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 A of the Code by failing to report to the Commission within 30 calendar days any change in the Defendant's residence address, email address, or name; and § 38.2-1831 (1) of the Code by providing materially incorrect, incomplete, or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.



**CASE NO. INS-2022-00167  
DECEMBER 16, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
LEVI ANGEL ALMONTE,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Levi Angel Almonte ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in Florida on September 13, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated October 11, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 11, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00168  
DECEMBER 8, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
MELISSA N. CABRERA,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Melissa N. Cabrera ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in Illinois on March 30, 2022 and in North Carolina on June 6, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 26, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00169  
DECEMBER 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

CLEVELAND JACKSON,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Cleveland Jackson ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in Indiana on October 19, 2021, and in Pennsylvania on July 15, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated October 11, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 11, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.

Order. (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed.

**CASE NO. INS-2022-00170  
DECEMBER 16, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
MICHAEL LEWIS,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Michael Lewis ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in South Dakota on June 16, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated October 11, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 11, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

Order. (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed.

**CASE NO. INS-2022-00172  
DECEMBER 9, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

PAIGE LAUREN MCDERMOTT,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Paige Lauren McDermott ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report an administrative action taken against the Defendant in California on July 8, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated October 11, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 11, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00173  
DECEMBER 16, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ANTHONY MOORE,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Anthony Moore ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in Florida on September 3, 2021 and on February 8, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 26, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00174  
DECEMBER 9, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
CYNTHIA ANNE MOORE,  
Defendant

**SETTLEMENT ORDER**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Cynthia Anne Moore ("Moore" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 B of the Code of Virginia ("Code") by affixing or causing to be affixed the signature of any other person to an insurance document without the written authorization of the person whose signature appears on such document; § 38.2-1809 of the Code by failing or refusing to permit the Commission or any of its employees or agents, including employees of the Bureau, to make an examination of the Defendant's insurance records; and § 38.2-1813 A of the Code by failing to handle returned premiums in a fiduciary capacity and by failing to pay the funds to the insurer, insurance premium finance company or agent entitled to the payment.

Moore is a Virginia resident licensed with the following line of authority: Property & Casualty.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting nor denying any violation of Virginia law, has made an offer of settlement to the Commission. In settlement, the Defendant has waived the right to a hearing; has voluntarily surrendered the authority to act as an insurance agent in Virginia effective October 26, 2022; and has agreed not to make any application to transact the business of insurance in Virginia for a period of five (5) years from October 26, 2022.

The Bureau has recommended that the Commission accept the Defendant's settlement offer pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant's settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer is hereby accepted.
- (2) This case is dismissed.

**CASE NO. INS-2022-00175  
DECEMBER 16, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MILO D. PERRAULT,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Milo D. Perrault ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in Wisconsin on March 28, 2022, in New York on February 16, 2022, in North Carolina on August 12, 2021, in Louisiana on April 23, 2021, in Indiana on February 4, 2021, and in Pennsylvania on July 22, 2020.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated October 11, 2022 that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 11, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00178  
DECEMBER 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

RANDY LEE WILLIAMS,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Randy Lee Williams ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in Florida on November 18, 2021 and in New York on March 15, 2022.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated October 11, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's October 11, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.
- (4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.
- (5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.
- (6) This case is dismissed.

**CASE NO. INS-2022-00185  
DECEMBER 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
NATHAN COSBY,  
Defendant

**ORDER REVOKING LICENSE**

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), the Bureau alleges that Nathan Cosby ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 C of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction when the Defendant failed to report administrative actions taken against the Defendant in Louisiana on April 11, 2022, in Pennsylvania on March 18, 2022, in California on November 10, 2021, in Wisconsin on August 18, 2021, in Florida on July 29, 2021, and in Texas on July 13, 2021.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing before the Commission in this matter by certified letter dated September 26, 2022, that was mailed and e-mailed to the Defendant's addresses shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing in response to the Bureau's September 26, 2022 letter.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendant has violated § 38.2-1826 C of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

- (1) The license of the Defendant to transact the business of insurance in Virginia as an insurance agent is hereby REVOKED.
- (2) All appointments issued under said license are hereby VOID.
- (3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed.

**CASE NO. INS-2022-00186  
DECEMBER 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of the assessment upon certain companies and surplus lines brokers to pay the expense of the Bureau of Insurance for the calendar year 2023

**ASSESSMENT ORDER**

Pursuant to §§ 38.2-400 and 38.2-403 of the Code of Virginia ("Code"),

IT IS ORDERED that there be, and there is hereby, ASSESSED, for the calendar year 2023, upon each company and surplus lines broker subject to Title 38.2 of the Code, except premium finance companies licensed pursuant to Chapter 47 of Title 38.2 of the Code and providers of continuing care registered pursuant to Chapter 49 of Title 38.2 of the Code, as its just share of the expense of maintaining the Bureau of Insurance, the greater of: (i) \$300 or (ii) a sum equal to 0.00025 (0.025%) of its direct gross premium income on business done in the Commonwealth of Virginia during the 2022 calendar year.

**CASE NO. INS-2022-00190  
DECEMBER 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of amending Rules Governing Multiple Employer Welfare Arrangements and Adopting Rules Governing Self-Funded Multiple Employer Welfare Arrangements

**ORDER TO TAKE NOTICE**

Section 12.1-13 of the Code of Virginia ("Code") provides that "[i]n the administration and enforcement of all laws within its jurisdiction, the [State Corporation Commission ("Commission")] shall have the power to promulgate rules and regulations[.]" Section 38.2-223 of the Code provides that after notice and opportunity for all interested parties to be heard, the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code. Section 38.2-3420 B 4 of the Code provides that the Commission may adopt regulations applicable to self-funded multiple employer welfare arrangements ("MEWAs").<sup>1</sup>

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy may be found at: [law.lis.virginia.gov/admincode/title14/agency5/](http://law.lis.virginia.gov/admincode/title14/agency5/).

The Bureau of Insurance ("Bureau") has submitted to the Commission a proposal to: (1) amend the Rules in Chapter 410 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Multiple Employer Welfare Arrangements," which are set out at 14 VAC 5-410-10 through 14 VAC 5-410-80 ("Chapter 410"); and (2) adopt new Chapter 415 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Self-Funded Multiple Employer Welfare Arrangements," which sets forth new Rules at 14 VAC 5-415-10 through 14 VAC 5-415-130 ("Chapter 415").

The amendment of Chapter 410 and the adoption of Chapter 415 are necessary to effectuate recent amendments to Chapter 34 of Title 38.2 of the Code providing for the licensure of self-funded MEWAs by the Commission.<sup>2</sup> The proposed amendments to Chapter 410 limit that chapter's applicability to fully insured MEWAs.<sup>3</sup> New Chapter 415 establishes the requirements for licensure as a self-funded MEWA, and "address[es] the self-funded MEWA's financial condition, solvency requirements, and insolvency plan and its exclusion, pursuant to § 59.1-592, from the Virginia Life, Accident and Sickness Insurance Guaranty Association established under Chapter 17 (§ 38.2-1700 et seq.)."<sup>4</sup>

<sup>1</sup> In its 2022 session, the Virginia General Assembly amended Chapter 34 of Title 38.2 of the Code to provide for licensure of self-funded MEWAs. *See* 2022 Va. Acts Chs. 404 and 405.

<sup>2</sup> *See* 2022 Va. Acts Chs. 404 and 405.

<sup>3</sup> In its proposed amendments to Chapter 410, the Bureau proposes changing the title of that chapter to "Rules Governing *Fully Insured* Multiple Employer Welfare Arrangements." (Emphasis added)

<sup>4</sup> *See* § 38.2-3420 B 4 of the Code.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION, having considered the Bureau's proposal and the applicable law, is of the opinion and finds that reasonable notice of the proposal to amend Chapter 410 and adopt Chapter 415 should be given, interested parties should be afforded an opportunity to be heard in accordance with the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, and the proposal to amend Chapter 410 and adopt Chapter 415 should be considered for adoption with a proposed effective date of May 1, 2023.

Accordingly, IT IS ORDERED THAT:

(1) The proposal to amend Rules at Chapter 410 entitled "Rules Governing Multiple Employer Welfare Arrangements" and to adopt new Rules designated as Chapter 415 entitled "Rules Governing Self-Funded Multiple Employer Welfare Arrangements" are attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to consider, the proposal to amend Chapter 410 and adopt Chapter 415 shall file such comments and/or hearing requests on or before March 1, 2023, with the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Requests for a hearing shall state why a hearing is necessary and why the issues cannot be adequately addressed in written comments. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information). All comments shall refer to Case No. INS-2022-00190.

(3) The Bureau shall file its response to any comments filed pursuant to Ordering Paragraph (2) on or before April 3, 2023.

(4) The Bureau shall provide notice of the proposal to amend Chapter 410 and adopt Chapter 415 to all carriers licensed in Virginia to write accident and sickness insurance and to all persons known to the Bureau to have an interest in accident and sickness insurance.

(5) The Commission's Office of General Counsel shall cause a copy of this Order, together with the proposal to amend and adopt new rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposal on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(7) The Bureau shall file with the Clerk of the Commission a certificate of compliance with the notice requirements of Ordering Paragraph (4) above.

NOTE: A copy of the attachment entitled "Rules Governing Self-Funded Multiple Employer Welfare Arrangements" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**DIVISION OF PUBLIC SERVICE TAXATION****MATTER NO. PST-2022-00004  
MAY 13, 2022**

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Motor Vehicle Carriers and the Virginia Pilots' Association for the Tax Year 2022

**ASSESSMENT ORDER**

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on common carriers of passengers by motor vehicle carrier in the Commonwealth of Virginia and the Virginia Pilots' Association. On June 24, 2021, the Commission's Division of Public Service Taxation sent each certificated motor vehicle carrier and the Virginia Pilots' Association a notice that its special regulatory revenue tax payment for the Tax Year 2022 would be due June 1, 2022.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross receipts of each such motor vehicle carrier and the Virginia Pilots' Association from business done within the Commonwealth of Virginia for the year ending December 31, 2021, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation, and the special regulatory revenue tax of two tenths of one percent of the gross receipts from January 1, 2021 to June 30, 2021, and twenty-two hundredths of one percent of the gross receipts from July 1, 2021 to December 31, 2021, on said common carriers and the Virginia Pilots' Association for the Tax Year 2022 should be assessed.

Accordingly, IT IS ORDERED THAT:

1. The special regulatory revenue tax imposed by law on the gross receipts of each certificated motor vehicle carrier and the Virginia Pilots' Association shall be assessed as prescribed by Code §§ 58.1-2660, 58.1-2663, and 58.1-2664.
2. The special regulatory revenue tax on each certificated motor vehicle carrier and the Virginia Pilots' Association shall be paid by June 1, 2022, in accordance with Code § 58.1-2663.
3. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

**MATTER NO. PST-2022-00005  
MAY 13, 2022**

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Telecommunications Companies for the Tax Year 2022

**ASSESSMENT ORDER**

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on telephone companies covered by Code § 58.1-2660 A 3. On June 24, 2021, the Commission's Division of Public Service Taxation sent each such telephone company a notice that its special regulatory revenue tax payment for Tax Year 2022 would be due June 1, 2022.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross receipts of said telephone companies from business done within the Commonwealth of Virginia for the year ending December 31, 2021, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation, and a special regulatory revenue tax of two tenths of one percent of the gross receipts from January 1, 2021 to June 30, 2021, and twenty-two hundredths of one percent of the gross receipts from July 1, 2021 to December 31, 2021, on said companies for the Tax Year 2022 should be assessed.

Accordingly, IT IS ORDERED THAT:

1. The special regulatory revenue tax imposed by law on the gross receipts of each applicable telephone company shall be assessed as prescribed by Code §§ 58.1-2660, 58.1-2662.1, and 58.1-2664.
2. The special regulatory revenue tax on each telephone company shall be paid by June 1, 2022, in accordance with Code § 58.1-2663.
3. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

**MATTER NO. PST-2022-00006  
MAY 13, 2022**

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax and the State License Tax on Water Corporations for the Tax Year 2022

**ASSESSMENT ORDER**

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on each corporation engaged in the business of furnishing water in the Commonwealth of Virginia. On June 24, 2021, the Commission's Division of Public Service Taxation sent water corporations in the Commonwealth of Virginia a notice that its special regulatory revenue tax payment for Tax Year 2022 would be due June 1, 2022.

Pursuant to Article 2 of Chapter 26 of Title 58.1 of the Code, the Commission is required to assess a state license tax on each corporation engaged in the business of furnishing water in the Commonwealth of Virginia.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the gross receipts of said water corporations from business done within the Commonwealth of Virginia for the year ending December 31, 2021, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation, and a special regulatory revenue tax of two tenths of one percent of the gross receipts from January 1, 2021 to June 30, 2021, and twenty-two hundredths of one percent of the gross receipts from July 1, 2021 to December, 31, 2021, on such water corporations for the Tax Year 2022 should be assessed; and that the state license tax of two percent of the gross receipts on such water corporations for the Tax Year 2022 should be assessed.

Accordingly, IT IS ORDERED THAT:

- 1. The special regulatory revenue tax imposed by law on the gross receipts of each water corporation shall be assessed as prescribed by Code § 58.1-2660 and § 58.1-2664.
- 2. The special regulatory revenue tax on each water corporation shall be paid by June 1, 2022, in accordance with Code § 58.1-2663.
- 3. The state license tax imposed by law on the gross receipts of each water corporation shall be assessed as prescribed by Code § 58.1-2626.
- 4. The state license tax on each water corporation shall be paid by June 1, 2022, in accordance with Code § 58.1-2635.
- 5. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

**MATTER NO. PST-2022-00007  
MAY 13, 2022**

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Railroad Companies for the Tax Year 2022

**ASSESSMENT ORDER**

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on each non-exempt railroad company doing business in the Commonwealth of Virginia. On April 15, 2022, the Commission's Division of Public Service Taxation sent each railroad company a notice that its special regulatory revenue tax payment for Tax Year 2022 would be due June 1, 2022.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross transportation receipts of each such railroad company from business done within the Commonwealth of Virginia for the year ending December 31, 2021, is determined to be the amount as recorded in the Commission's Division of Public Service Taxation, and the special regulatory revenue tax of eighteen hundredths of one percent of said gross transportation receipts on said company for the Tax Year 2022 should be assessed.

Accordingly, IT IS ORDERED THAT:

- 1. The special regulatory revenue tax on each non-exempt railroad company shall be assessed as prescribed by Code §§ 58.1-2660 through 58.1-2662 and § 58.1-2664.
- 2. The special regulatory revenue tax on each non-exempt railroad company shall be paid by June 1, 2022, in accordance with Code § 58.1-2663.
- 3. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

**MATTER NO. PST-2022-00008  
MAY 13, 2022**

IN THE MATTER OF

The Assessment of the Gross Receipt Subject to the Minimum Tax on Telecommunications Companies and Certain Electric Suppliers for the Tax Year 2022

**ASSESSMENT ORDER**

Pursuant to Article 10 of Chapter 3 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to certify to the Virginia Department of Taxation for each tax year the name, address, and gross receipts for each telecommunications company that is either organized under Virginia law or a foreign corporation having income from Virginia sources. The Commission is also required to calculate and certify to the Virginia Department of Taxation for each tax year the name, address, and minimum tax for certain electric suppliers.

The Commission's Division of Public Service Taxation has gathered the information necessary for the Commission to comply with these statutory directives.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross receipts of each said company from business done within the Commonwealth of Virginia for the year ending December 31, 2021, is determined to be as recorded in the Commission's Division of Public Service Taxation; that the gross receipts subject to the minimum tax on said telecommunications companies for the Tax Year 2022 should be certified to the Virginia Department of Taxation as calculated by the Commission's Division of Public Service Taxation; and that the gross receipts and the minimum tax thereon for said electric suppliers for the Tax Year 2022 should be certified to the Virginia Department of Taxation as calculated by the Commission's Division of Public Service Taxation.

Accordingly, IT IS ORDERED THAT:

1. Pursuant to Code § 58.1-400.1, the name, address, and gross receipts for each telecommunications company, as covered herein, shall be certified to the Virginia Department of Taxation.
2. Pursuant to Code § 58.1-400.3, the name, address, and minimum tax as calculated from the gross receipts of each electric supplier, as covered herein, shall be certified to the Virginia Department of Taxation.
3. The certified information shall be located in the Commission's Division of Public Service Taxation.

**MATTER NO. PST-2022-00009  
MAY 13, 2022**

IN THE MATTER OF

The Assessment of the Rolling Stock Tax on Motor Vehicle Carriers for the Tax Year 2022

**ASSESSMENT ORDER**

Pursuant to § 58.1-2655 B of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess the average value of the rolling stock used by each certificated motor vehicle carrier in the Commonwealth of Virginia in accordance with Article 5 of Chapter 26 of Title 58.1 of the Code. The Commission's Division of Public Service Taxation has prepared an assessment of the rolling stock of the certified motor vehicle carriers in the Commonwealth of Virginia.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the assessments should be made and that the rolling stock tax assessed for each certificated motor vehicle carrier is due and payable by June 1, 2022.

Accordingly, IT IS ORDERED THAT:

1. The taxes imposed by law on such rolling stock shall be assessed as prescribed by Code § 58.1-2652.
2. The rolling stock tax assessed on each certificated motor vehicle carrier shall be paid by June 1, 2022, in accordance with Code § 58.1-2652 B.
3. The rolling stock taxes collected shall be apportioned to the various cities, counties, and incorporated towns of the Commonwealth of Virginia as prescribed by Code § 58.1-2658.
4. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

**MATTER NO. PST-2022-00013  
SEPTEMBER 15, 2022**

IN THE MATTER OF

The assessment of Water, Heat, Light, and Power Corporations; Electric Suppliers; Pipeline Distribution Companies; and Telecommunications Companies for the 2022 Tax Year

**ASSESSMENT ORDER**

Pursuant to Chapter 26 of Title 58.1 of the Code of Virginia ("Code"),<sup>1</sup> the State Corporation Commission ("Commission") is required to assess the value of reported property subject to local taxation of each telephone, water, heat, light, and power company, pipeline distribution company, and electric supplier doing business in the Commonwealth of Virginia. Pursuant to Code §§ 58.1-2627.1 and 58.1-2628, every telephone company, every corporation furnishing water, heat, light, and power, whether by electricity, gas, or steam, every pipeline distribution company, and every electric supplier, unless otherwise exempted by statute, is required to report to the Commission all of its real and tangible personal property of every description in the Commonwealth of Virginia by April 15 of each year.

Pursuant to Code § 58.1-2634, a certified copy of the assessment made pursuant to Code § 58.1-2633 shall be forwarded by the Clerk of the Commission to the comptroller, to the president or other proper officer of each company, to the governing body of each county, city, and town wherein any property belonging to such company is situated, and to each commissioner of the revenue. The Commission's Division of Public Service Taxation has gathered the information necessary for the Commission to comply with these statutory directives.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that in accordance with the applicable statutes, it should, and hereby does, ascertain and assess, as of the beginning of the first day of January 2022, the value of the real estate and all other tangible personal property of said companies subject to local taxation.

Accordingly, IT IS ORDERED THAT:

- (1) A certified copy of the assessments shall be forwarded to the comptroller, to the president or other proper officer of each company, to the governing body of each county, city, and town wherein any property belonging to such company is situated, and to each commissioner of the revenue so that local taxes may be imposed thereon.
- (2) The certified assessments shall be located in the Commission's Division of Public Service Taxation.

<sup>1</sup> Code § 58.1-2600 *et seq.*

**DIVISION OF PUBLIC UTILITY REGULATION****CASE NO. PUE-2002-00654  
MARCH 11, 2022**APPLICATION OF  
STAND ENERGY CORPORATION

For a license to conduct business as a natural gas competitive service provider

**ORDER REISSUING LICENSE**

On January 28, 2022, Stand Energy Corporation ("Stand" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") to amend its license to conduct business as a competitive service provider.<sup>1</sup> Stand requested that the Commission amend License No. G-17A<sup>2</sup> to include providing retail natural gas supply service to eligible governmental and residential customers throughout Virginia.<sup>3</sup> In its Application, Stand attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").<sup>4</sup>

On February 14, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon the utilities listed on Attachment A of the Procedural Order on or before February 18, 2022, and to file proof of service on or before February 23, 2022. On February 15, 2022, the Company filed its proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before February 25, 2022. On February 25, 2022, Virginia Natural Gas, Inc., filed a notice of participation in the case. No comments were filed.

The Procedural Order further directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on March 3, 2022, which summarized Stand's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended the following:

- that the Commission require Stand to provide proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of \$25,000;<sup>5</sup>
- that Stand establish an escrow account with a Virginia financial institution to comply with the requirements in 20 VAC 5-312-90 for the protection of any customer deposits or prepayments;<sup>6</sup>
- that Stand be required to file proof of its firm transportation and storage capacity rights at least 30 days prior to serving any essential human needs customers, as assurance that it will be able to meet the firm delivery service requirements of those customers;<sup>7</sup> and
- a periodic review of the level of financial security that is commensurate with Stand's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction in the future.<sup>8</sup>

The Procedural Order directed Stand to file any response to the Staff's Report by March 8, 2022. Stand did not file a response to the Report.

NOW THE COMMISSION, upon consideration of the foregoing and of the applicable law, finds that License No. G-17A should be cancelled and reissued as License No. G-17B to Stand Energy Corporation.

Accordingly, IT IS ORDERED THAT:

<sup>1</sup> A public version of its Application and a Motion for Protective Order was filed by the Company on January 19, 2022. On January 24, 2022, the Company filed the registration fee. On January 28, 2022, the Company filed the confidential version of the Application to complete its amendment filing.

<sup>2</sup> Stand is authorized, pursuant to Commission issued License No. G-17A, to provide natural gas supply service to eligible commercial and industrial customers throughout Virginia. License G-17A was issued by the Commission on November 28, 2005.

<sup>3</sup> Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

<sup>4</sup> 20 VAC 5-312-10 *et seq.*

<sup>5</sup> Report at 6.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

- (1) License No. G-17A, issued to Stand to provide competitive natural gas supply services to eligible commercial and industrial customers throughout Virginia, is hereby cancelled and reissued as License No. G-17B to Stand Energy Corporation to provide natural gas supply services to eligible commercial, industrial, governmental, and residential customers throughout Virginia.
- (2) Stand shall operate under the license pursuant to the same terms and conditions as set forth in the Order Granting License entered into this docket on November 28, 2005. This license to act as a competitive supplier of natural gas supply service remains subject to the provisions of the Commission's Retail Access Rules, this Order, and other applicable law.
- (3) Stand shall provide to Staff proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of \$25,000.
- (4) Stand shall establish an escrow account with a Virginia financial institution to comply with the requirements in Retail Access Rule 20 VAC 5-312-90 for the protection of any customer deposits or payments.
- (5) Stand shall file proof of its firm transportation and storage capacity rights at least 30 days prior to serving any essential human needs customers, as assurance that it will be able to meet the firm delivery service requirements of those customers.
- (6) Staff shall conduct a periodic review of the level of financial security that is commensurate with Stand's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.
- (7) This license is not valid authority for the provision of any product or service not identified within the license itself.
- (8) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

**CASE NO. PUE-2003-00468  
MARCH 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
COLUMBIA GAS OF VIRGINIA, INC.,  
Defendant

**ORDER APPROVING STIPULATION**

On January 28, 2004, the State Corporation Commission ("Commission") entered an Order of Settlement ("Settlement Order") with Columbia Gas of Virginia, Inc. ("CVA" or the "Company"). The Settlement Order, among other things, required the Company to "locate and mark the underground piping which extends from the outlet side of service meters known as 'farm taps' ("Farm Taps") in response to notices of excavation received on and after February 2, 2004."<sup>1</sup>

On January 14, 2020, the Company, by counsel, filed the Motion of Columbia Gas of Virginia, Inc., to Reopen Docket and Amend Order of Settlement ("Motion"). Therein, CVA requested the Commission, pursuant to 5 VAC 5-20-110, *Motions*, of the Commission's Rules of Practice and Procedure,<sup>2</sup> to reopen the docket in the above-captioned case and to amend the Settlement Order.<sup>3</sup> The Motion requested that CVA be relieved of the obligation set forth in undertaking paragraph (2)(b) of the Settlement Order.<sup>4</sup>

On February 5, 2020, Commission Staff ("Staff") filed its Motion for Continuance of Filing and Hearing Dates, seeking time to meet with the Company and discuss resolution of this issue.

On March 11, 2022, a Stipulation was filed in this case, in which Staff and the Company agreed upon the following regarding the relief requested in the Motion:

- 1) The Company shall create notification areas for each Farm Tap at which there is customer owned piping downstream of the meter ("Farm Tap Notification Areas") on the VA 811 base map and upload the Geographic Information System files to the Call Center's File Transfer Portal website within 90 days from the entry of this Order;
- 2) The Company will utilize positive response code 12 (Customer Owned Piping) for each ticket involving a Farm Tap located within Farm Tap Notification Areas;
- 3) The Company shall install and maintain signage at each Farm Tap which indicates that customer owned piping exists downstream of the meter;

<sup>1</sup> *Commonwealth of Virginia ex rel. State Corporation Commission v. Columbia Gas of Virginia, Inc.*, Case No. PUE-2003-00468, 2004 S.C.C. Ann. Rept. 376, 377, Order of Settlement (Jan. 28, 2004).

<sup>2</sup> 5 VAC 5-20-10 *et seq.*

<sup>3</sup> Motion at 1.

<sup>4</sup> *Id.* at 3.

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- 4) The Company shall provide by mail, at least once annually, information to each customer who owns buried piping within Farm Tap Notification Areas regarding the customer's obligations to mark its facilities and stating that the Company will not mark the customer owned piping;
- 5) The Company shall undertake a comprehensive study of its Farm Taps and develop a report to Staff. This report shall include the following:
  - a. The number of Farm Taps (as discussed in §192.740 (a)) in the Company's Virginia system.
  - b. A table including the following information for each Farm Tap for which the Company seeks relief:
    - i. Location (e.g. 123 A Street, etc.) or GPS coordinates;
    - ii. Company identifier, if available;
    - iii. Whether the Farm Tap is located in a High Consequence Area as defined by 49 C.F.R. § 192.903; or class 3 location.
  - c. The original construction and service installation records for each of the Farm Taps described in Item (b). Records should be numbered to match the entries in the list provided in response to Item (b). These records should include, but are not limited to, tapping cards, service cards, work orders detailing the tapping of the transmission line, the installation of metering, and the installation of any and all buried piping associated with each location.
 

If the Company does not have original construction and installation records for specific Farm Taps in its system:

    - i. Provide a detailed explanation of any records the Company has maintained for the specific Farm Tap;
    - ii. For each Farm Tap identified without original records, describe actions the Company has taken to ensure the safety of these Farm Taps; and
    - iii. For each Farm Tap identified without original records, the Company shall identify points of ownership and describe actions the Company has taken or will take to obtain such records which may include safety digs, excavations to identify material type, location, pressure regulation and over pressure protection equipment, and custody transfer points.
  - d. A map or maps for each transmission line, which includes the location of each of the Farm Taps discussed in Item (b).
  - e. A list of Notices of Excavation (VA 811) tickets that the Company has responded to for each Farm Tap described in Item (b) dating back to January 1, 2016. The list should include, at a minimum:
    - i. The ticket number;
    - ii. The county in which the ticket was located;
    - iii. The work type associated with the excavation;
    - iv. The Company's response to the ticket;
    - v. Whether there was an excavation damage associated with the excavation ticket, and, if so, a description of the damage;
    - vi. Whether the ticket was an emergency ticket; and
    - vii. Whether the ticket was a 3-hour ticket.
  - f. A description of the general method, means, and process by which the Company has been locating the Farm Taps listed in Item (b). This description should include, but is not limited to, whether the Farm Taps are located by Company personnel or contract locators.
  - g. Information regarding whether the Company has identified any of the Farm Taps listed in response to Item (b) for which there are verifiable records from the date of installation that the end user installed, and furnished piping, and agreed to maintain this piping to the interconnect with the Company tap and pressure regulation. Please highlight these locations on the list provided in response to Item (b) and provide any and all supporting records labeled with the corresponding Farm Tap location.
  - h. The type of customer contact information (e.g. phone number, email address, mailing address, etc.) that is required by the Company to establish service.
  - i. Please provide the Company's procedures for locating locatable and difficult to locate downstream piping, for piping downstream of a Farm Tap that CVA fails to verify it does not own.
- 6) The Company shall submit the requisite report to Staff within 90 days of the entry of a Commission Order accepting the settlement in this proceeding.
- 7) Within twelve (12) months of the entry of a Commission Order accepting the settlement in this proceeding, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit, signed by Brent Archer, President/Chief Operations Officer, detailing the Company's compliance with Stipulation Items (1) through (4) contained herein. Such affidavit shall reference Case No. PUE-2003-00468.

NOW THE COMMISSION is of the opinion and finds that the Stipulation should be approved.

Accordingly, IT IS ORDERED THAT:

- (1) Case No. PUE-2003-00468 is reopened.
- (2) The Stipulation is approved.
- (3) This case is continued.



**CASE NO. PUE-2004-00082  
FEBRUARY 8, 2022**

APPLICATION OF  
UTILITY RESOURCE SOLUTIONS, L.P.

For a license to conduct business as a natural gas competitive service provider

**ORDER REISSUING LICENSE**

On October 22, 2004, the State Corporation Commission ("Commission") entered an Order Granting License issuing License No. G-20 to Utility Resource Solutions, L.P. ("Utility Resource" or "Company") to conduct business as a competitive supplier of natural gas service to eligible commercial, industrial, governmental, and residential customers in the service territories of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia ("CGV") pursuant to the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").<sup>1</sup>

On January 20, 2022, the Company filed a motion requesting that the Commission amend and reissue its competitive service provider license to reflect the Company's name change to Spark Energy Gas, LLC ("Spark Energy"). In support of its motion, the Company provided documents verifying the Company's conversion and name change.

NOW THE COMMISSION, upon consideration of the foregoing and of the applicable law, finds that License No. G-20 should be cancelled and reissued as License No. G-20A to Spark Energy.

Accordingly, IT IS ORDERED THAT:

- (1) License No. G-20, issued to Utility Resource to provide competitive natural gas supply services to eligible commercial, industrial, governmental, and residential customers in the service territories of WGL and CGV, is hereby cancelled and reissued as License No. G-20A to Spark Energy.
- (2) Spark Energy shall operate under the license pursuant to the same terms and conditions as set forth in the Order Granting License entered into this docket on October 22, 2004. This license to act as a competitive supplier of natural gas service remains subject to the provisions of the Commission's Retail Access Rules, this Order, and other applicable law.
- (3) This license is not valid authority for the provision of any product or service not identified within the license itself.
- (4) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

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<sup>1</sup> 20 VAC 5-312-10 *et seq.*

**CASE NO. PUE-2006-00123  
JUNE 8, 2022**

APPLICATION OF  
LIBERTY POWER DELAWARE, LLC

For a license to be a competitive service provider of electric service

**ORDER CANCELLING LICENSE**

On February 6, 2007, Liberty Power Delaware, LLC ("Liberty Power" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider for electricity pursuant to the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 *et seq.* On April 10, 2007, the Commission issued License No. E-17 to Liberty Power.<sup>1</sup>

On March 15, 2022, a Notice of Abandonment of License ("Notice") was filed on behalf of Liberty Power stating that the Company wished to surrender its license to conduct business as a competitive service provider of electricity. The Notice indicates that Liberty Power does not have any customers in Virginia, and acknowledges that the Company would have to file a new application and become licensed as a competitive service provider before it would be able to provide service to customers in Virginia in the future.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that it should cancel License No. E-17, and that this proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT:

- (1) License No. E-17 issued to Liberty Power to conduct business as a competitive service provider of electricity is hereby cancelled.
- (2) This matter is dismissed.

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<sup>1</sup> See *Application of Liberty Power Delaware, LLC, For a license to conduct business as a competitive service provider for electricity*, Case No. PUE-2006-00126, 2007 S.C.C. Ann. Rept. 370, Order Granting License (Apr. 10, 2007).

**CASE NO. PUE-2006-00124  
JANUARY 12, 2022**

APPLICATION OF  
LIBERTY POWER HOLDINGS, LLC

For a license to conduct business as a competitive service provider for electricity

**ORDER CANCELLING LICENSE**

On February 6, 2007, Liberty Power Holdings, LLC ("Liberty Power" or "Company"), completed an application with the State Corporation Commission ("Commission") for a license to be a competitive service provider for electricity pursuant to the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 *et seq.* On April 10, 2007, the Commission issued License No. E-18 to Liberty Power.<sup>1</sup>

On October 21, 2021, Liberty Power filed a letter notifying the Commission that it wished to surrender its license to conduct business as a competitive service provider for electricity. Liberty Power has advised the Staff of the Commission that the Company does not have any customers in Virginia.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that it should cancel License No. E-18, and that this proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT:

- (1) License No. E-18 issued to Liberty Power to conduct business as a competitive service provider for electricity is hereby cancelled.
- (2) This matter is dismissed.

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<sup>1</sup> See *Application of Liberty Power Holdings, LLC, For a license to conduct business as a competitive service provider for electricity*, Case No. PUE-2006-00124, 2007 S.C.C. Ann. Rept. 371, Order Granting License (Apr. 10, 2007).

**CASE NO. PUE-2010-00048  
APRIL 21, 2022**

APPLICATION OF  
I. C. THOMASSON ASSOCIATES, INC.

For licenses to conduct business as an aggregator and competitive service provider of natural gas and electricity

**ORDER CANCELING LICENSES**

On May 24, 2010, I. C. Thomasson Associates, Inc. ("I. C. Thomasson" or "Company") completed an application ("Application") with the State Corporation Commission ("Commission") for licenses to conduct business as an aggregator and competitive service provider for electricity and natural gas supply service pursuant to the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 *et seq.* On July 7, 2010, the Commission issued License Nos. E-24, G-28, and A-31 to I. C. Thomasson.

On March 25, 2022, I. C. Thomasson filed a letter ("Letter") notifying the Commission that it wished to surrender its licenses to conduct business as an aggregator and competitive service provider of natural gas and electricity supply service. In its Letter, I. C. Thomasson indicated that it does not have any open contracts and no longer provides aggregator services in Virginia. The Letter also stated the Company is aware that if its status changes, it would have to file a new application and become licensed as a competitive service provider again before it would be able to provide competitive energy services to customers in Virginia in the future.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that it should cancel License Nos. E-24, G-28, and A-31, and that this proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT:

- (1) License No. E-24 issued to I. C. Thomasson to conduct business as a competitive service provider of electricity supply service is hereby canceled.
- (2) License No. G-28 issued to I. C. Thomasson to conduct business as a competitive service provider of natural gas supply service is hereby canceled.
- (3) License No. A-31 issued to I. C. Thomasson to conduct business as an aggregator of electric and natural gas service is hereby canceled.
- (4) This matter is dismissed.

**CASE NO. PUE-2010-00073  
MARCH 24, 2022**

APPLICATION OF  
INTERSTATE GAS SUPPLY, INC. d/b/a IGS ENERGY

For a license to conduct business as a competitive service provider of natural gas

**ORDER REISSUING LICENSE**

On August 19, 2010, the State Corporation Commission ("Commission") granted License No. G-29 to Interstate Gas Supply, Inc., d/b/a IGS Energy ("IGS" or "Company") to conduct business as a competitive service provider ("CSP") of natural gas service to residential and small commercial customers in the service territories of Columbia Gas of Virginia, Inc. ("CVA") and Washington Gas Light Company ("WGL").<sup>1</sup>

On September 7, 2021, IGS filed a request for authorization to amend its natural gas CSP license. Specifically, IGS sought approval to expand its CSP license to include large commercial and industrial customers<sup>2</sup> throughout the Commonwealth ("customer expansion request") and to include a joint venture partner as part of IGS's license to avoid the need to create a new entity and seek a separate license.<sup>3</sup>

On December 14, 2021, the Company filed a partial withdrawal ("Partial Withdrawal"), in which the Company stated that it no longer seeks the relief sought with regard to the joint venture request.<sup>4</sup> IGS clarified that it is not withdrawing its customer expansion request so that it may serve "all customers throughout the Commonwealth for whom a license is needed to serve them, as opposed to only residential and small commercial customers" and "so that it can market to all customers in the future."<sup>5</sup>

On January 20, 2022, the Commission issued an Order with regard to the Company's customer expansion request directing IGS to "file a new application in Case No. PUE-2010-00073, specifically describing the customer classes and service territories for which the Company desires to be licensed."<sup>6</sup> The Commission further directed that the application be filed in compliance with the requirements of 20 VAC 5-312-40, *Licensing*, of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").<sup>7</sup>

On February 10, 2022, pursuant to the Order, IGS completed the filing of an application ("Application") for a license to provide natural gas supply service to eligible commercial, industrial, governmental, and residential customers in the service territories of CVA and WGL.<sup>8</sup> In its Application, IGS attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Retail Access Rules.

On February 22, 2022, the Commission issued an Order ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon interested parties on or before February 25, 2022, and to file proof of service on or before March 2, 2022. On February 23, 2022, the Company filed its proof of service. The Procedural Order also directed any comments in the matter to be filed with the Clerk of the Commission on or before March 8, 2022. No comments were filed.

The Procedural Order further directed Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before March 11, 2022. On March 11, 2022, Staff filed its Report, which summarized the Company's Application and evaluated its financial condition and technical fitness.

Based on its review of the Application, Staff recommended the following:

- that the Commission grant IGS' request for an amended license to conduct business as a CSP to provide natural gas service to eligible commercial, industrial, governmental and residential customers in the service territories of CVA and WGL;<sup>9</sup>

<sup>1</sup> *Application of Interstate Gas Supply, Inc. d/b/a IGS Energy, For a license to conduct business as a competitive service provider of natural gas*, Case No. PUE-2010-00073, 2010 S.C.C. Ann. Rept. 569, Order Granting License (Aug. 19, 2010).

<sup>2</sup> Retail choice for natural gas service continues to exist only in the service territories of WGL and CVA. Access to large commercial, industrial, and governmental gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

<sup>3</sup> Request at 1.

<sup>4</sup> Partial Withdrawal at 1-2.

<sup>5</sup> *Id.* at 2 (quoting Request at 2 (¶ 4), emphases removed).

<sup>6</sup> January 20, 2022 Order at 2.

<sup>7</sup> 20 VAC 5-312-10 *et seq.*

<sup>8</sup> WGL's service territory collectively includes the service territory of its subsidiary, Shenandoah Gas Division of Washington Gas Light.

<sup>9</sup> Report at 7.

- that the Commission require IGS to provide proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of \$25,000;<sup>10</sup>
- that IGS establish an escrow account with a Virginia financial institution to comply with the requirements in 20 VAC 5-312-90 for the protection of any customer deposits or prepayments;<sup>11</sup>
- that IGS be required to file proof of its firm transportation and storage capacity rights at least 30 days prior to serving any essential human needs customers, as assurance that it will be able to meet the firm delivery service requirements of those customers; and<sup>12</sup>
- a periodic review of the level of financial security that is commensurate with IGS' business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction in the future.<sup>13</sup>

The Procedural Order directed IGS to file any response to the Report by March 16, 2022. On March 16, 2022, IGS filed comments ("Comments") to the Report. In its Comments, IGS objects to Staff's recommendation that the Company be required to provide proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of \$25,000. IGS also objects to the recommendation by Staff that the Company be required to establish an escrow account with a Virginia financial institution to comply with the requirements in 20 VAC 5-312-90 for the protection of any customer deposits or prepayments.<sup>14</sup> IGS states that it does not intend to collect security deposits or prepayments from customers and requests that it not be required to establish an escrow account until it actually collects deposits or prepayments, at which time it will provide the account information to the Commission as required by 20 VAC 5-312-90.<sup>15</sup>

NOW THE COMMISSION, upon consideration of the foregoing and of the applicable law, finds that License No. G-29 should be cancelled and reissued as License No. G-29A to IGS, subject to certain conditions. We will require IGS to provide, to Staff, proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of \$25,000. For many years, the Commission has routinely adopted this condition on the license of competitive natural gas suppliers in Virginia.<sup>16</sup> We agree with IGS that the Company should not be required to establish an escrow account with a Virginia financial institution unless it begins collecting deposits or prepayments from Virginia customers, at which time, such requirement will apply.

Accordingly, IT IS ORDERED THAT:

(1) License No. G-29, issued to IGS to provide competitive natural gas supply services to eligible commercial and residential customers in the service territories of CVA and WGL, is hereby cancelled and reissued as License No. G-29A to IGS to serve eligible commercial, industrial, governmental, and residential customers in the service territories of CVA and WGL.

(2) IGS shall operate under the license pursuant to the terms and conditions set forth in this Order Reissuing License. This license to act as a competitive supplier of natural gas supply service remains subject to the provisions of the Commission's Retail Access Rules, this Order, and other applicable law.

(3) IGS shall provide, to Staff, proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of \$25,000.

(4) Prior to collecting deposits or prepayments from customers, IGS shall establish an escrow account with a Virginia financial institution to comply with the requirements in 20 VAC 5-312-90 for the protection of any customer deposits or prepayments.

(5) At least 30 days prior to serving any essential human needs customers, IGS shall provide proof to Staff of its firm transportation and storage capacity rights as assurance that it will be able to meet the firm delivery service requirements of any essential human needs customers.

(6) Staff shall conduct a periodic review of the level of financial security that is commensurate with IGS' business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction in the future.

(7) This license is not valid authority for the provision of any product or service not identified within the license itself.

(8) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>10</sup> *Id.* at 6-7.

<sup>11</sup> *Id.* at 7.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> Comments at 1-2.

<sup>15</sup> Comments at 2.

<sup>16</sup> See, e.g., *Application of Stand Energy Corporation, For a license to conduct business as a natural gas competitive service provider*, Case No. PUE-2002-00654, Order Reissuing License, Doc. Con. Cen. No. 220320033 (Mar. 11, 2022); *Application of Palmco Energy VA, LLC, For a license to conduct business as a natural gas competitive service provider*, Case No. PUE-2016-00071, 2016 S.C.C. Ann. Rept. 433 (Aug. 4, 2016); *Application of Viridian Energy, PA, LLC, For a license to conduct business as a competitive service provider for natural gas*, Case No. PUE-2012-00117, 2012 S.C.C. Ann. Rept. 521 (Nov. 16, 2012).

**CASE NO. PUE-2014-00024  
APRIL 12, 2022**

APPLICATION OF  
ECOVA, INC.

For a license to conduct business as an electric and natural gas aggregator

**ORDER REISSUING LICENSE**

On March 21, 2014, Ecova, Inc. ("Ecova" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to provide electric and natural gas aggregation service to eligible commercial, industrial, and residential customers throughout the Commonwealth of Virginia. In its Application, Ecova attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").<sup>1</sup>

On May 14, 2014, the Commission issued an Order Granting License to Ecova authorizing the Company, pursuant to License No. A-37, to provide electric and natural gas aggregation services to eligible commercial, industrial, and residential customers throughout the Commonwealth of Virginia.

On January 22, 2018, the Secretary of State of Washington approved the Company's name change to ENGIE Insight Services, Inc. d/b/a ENGIE Impact ("ENGIE").

On March 28, 2022, ENGIE filed a Motion to Amend and Reissue Electric and Natural Gas Aggregator License ("Motion") with the Commission requesting that License No. A-37 be amended and reissued in the name of ENGIE.

NOW THE COMMISSION, upon consideration of the foregoing and of the applicable law, finds that the Motion should be granted and that License No. A-37 should be cancelled and reissued as License No. A-37A to ENGIE.

Accordingly, IT IS ORDERED THAT:

- (1) License No. A-37, issued to Ecova to provide electric and natural gas aggregation service to eligible commercial, industrial, and residential customers throughout the Commonwealth of Virginia, is hereby cancelled and reissued as License No. A-37A to ENGIE to provide electric and natural gas aggregation service to eligible commercial, industrial, and residential customers throughout the Commonwealth of Virginia
- (2) ENGIE shall operate under the license pursuant to the same terms and conditions as set forth in the Order Granting License entered into this docket on May 14, 2014. This license to act as an aggregator of competitive electric and natural gas service remains subject to the provisions of the Commission's Retail Access Rules, this Order, and other applicable law.
- (3) This license is not valid authority for the provision of any product or service not identified within the license itself.
- (4) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>1</sup> 20 VAC 5-312-10 *et seq.*

**CASE NO. PUE-2015-00132  
APRIL 25, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For approval of a revision to General Service Provision No. 14 of the Company's Virginia tariff and associated pilot program

**ORDER ON RENEWAL APPLICATION**

On September 10, 2021, Washington Gas Light Company ("WGL" or "Company") filed an application ("Renewal Application") with the State Corporation Commission ("Commission") for approval to renew its multifamily piping pilot program ("Pilot") for an additional five years. In its Renewal Application, WGL states that the Commission initially approved the Pilot on July 28, 2016, for a five-year period.<sup>1</sup> The Company further states that on July 13, 2021, through an Order on Motion, the Commission granted WGL a limited extension of the Pilot and directed the Company to file its Renewal Application for the Pilot no later than 60 days from the date of the Order on Motion.<sup>2</sup>

WGL states that under its Pilot, the Company provides a contribution to builders and developers of multifamily individually metered apartments and condominiums to aid in offsetting costs of the installation of internal gas piping and venting for individually metered units served by natural gas if the

<sup>1</sup> Renewal Application at 1; *see also* Case No. PUE-2015-00132, Doc. Con. Cen. No. 160740280, Order on Application (July 28, 2016) ("Pilot Approval Order").

<sup>2</sup> Renewal Application at 1; *see also* Case No. PUE-2015-00132, Doc. Con. Cen. No. 210720023, Order on Motion (July 13, 2021).

project generates sufficient net revenues (on a net present value basis) to have a positive impact on existing customers.<sup>3</sup> The Company represents that the net present value calculation is achieved through General Service Provision ("GSP") No. 14 - Economic Evaluation of Facilities Extension.<sup>4</sup> WGL further states that the approved contribution amount is the lesser of (i) 80% of the net economic benefit calculated through GSP No. 14, or (ii) the actual documented costs of internal piping and venting.<sup>5</sup>

The Company asserts that this approach ensures the contribution will not be greater than the customer's actual costs for internal gas piping and venting and is capped at an amount to ensure that existing customers will receive at least 20% of the excess economic benefit of the project.<sup>6</sup> WGL states that the customer contribution is only associated with the cost of piping and venting for the premise under consideration and is not applied to costs associated with the procurement of natural gas appliances.<sup>7</sup> WGL further states that there is no incentive given to developers or builders if application of the tariff does not exceed the Company's authorized return (that is, where the net present value is negative).<sup>8</sup>

WGL maintains that its proposed Pilot renewal will allow the Company to continue to provide individually metered natural gas to new customers in an underserved market segment, collect additional information from customers to better understand the Pilot framework, and monitor new developments in energy technologies, while at the same time exploring opportunities to address federal and state environmental policies and climate goals.<sup>9</sup>

WGL represents that the Pilot has been successful in providing natural gas service to customers for whom service was otherwise not an option due to the high upfront costs for developers and builders.<sup>10</sup> The Company states that existing customers have also benefitted as fixed utility costs have been spread across a larger customer base and that WGL's Pilot activities to date have not exceeded the limits previously established by the Commission in this case.<sup>11</sup> Specifically, the Company states that it has enrolled 26 multifamily piping projects, comprising 4,117 units, which have generated over \$1 million in net benefits for the existing customer base.<sup>12</sup> WGL further represents that it has identified both immediate and future potential multifamily piping projects for the second phase of the Pilot proposed in the Renewal Application.<sup>13</sup>

The Company proposes to report annually on the metrics ("2016 Metrics") prescribed by the Commission in the Pilot Approval Order.<sup>14</sup> In addition to the 2016 Metrics, the Company proposes to begin reporting annually on the following:

1. The natural gas appliances installed in the multifamily units.
2. Average unit square footage.
3. The Company will survey each developer of an authorized project to determine type of appliances and associated efficiency of those appliances that would be installed in the absence of the Pilot.
4. The Company proposes to use the information in Items 1, 2, and 3 above to provide a more accurate determination of the offset of load growth for alternative energy suppliers.
5. For each project that showed interest in participating in the Pilot but ultimately did not enroll, the Company will survey those developers in an attempt to determine the energy solution deployed in that building as well as the ultimate reasons for forgoing participation in the Pilot.
6. The number of affordable housing units contained within each multifamily project (collectively, "2022 WGL Reporting Enhancements").<sup>15</sup>

On September 30, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") that, among other things, required the Company to provide public notice of its Renewal Application; permitted interested persons to file comments on the Renewal Application, participate as respondents in this proceeding, and request a hearing on the Renewal Application; directed the Commission's Staff ("Staff") to investigate the Renewal

<sup>3</sup> Renewal Application, Direct Testimony of Maria Frazzini ("Frazzini Direct") at 3.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 3-4.

<sup>6</sup> *Id.* at 4.

<sup>7</sup> Renewal Application at 6.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 1-2.

<sup>10</sup> *Id.* at 2.

<sup>11</sup> *Id.*; see also Pilot Approval Order and Frazzini Direct at Ex. 1.

<sup>12</sup> Renewal Application at 7.

<sup>13</sup> *Id.* at 2.

<sup>14</sup> Frazzini Direct at 12; see also Pilot Approval Order at 12-13.

<sup>15</sup> Frazzini Direct at 12.

Application and file a report ("Staff Report") containing its findings and recommendations;<sup>16</sup> and provided WGL an opportunity to respond in rebuttal to the Staff Report and any comments filed on the Renewal Application. No comments, notices of participation, or requests for hearing were filed.

On January 14, 2022, Staff filed its Staff Report. Staff did not oppose the Company's request to renew the Pilot for an additional five years, but Staff proposed an alternative for the Commission's consideration.<sup>17</sup> Specifically, Staff asserted that the Commission could approve a limited extension of the Pilot solely for gathering data and completing analysis of the 26 existing Pilot projects, including the 18 planned and still pending projects, without permitting the enrollment of additional projects beyond those that are currently pending.<sup>18</sup>

Staff identified concerns related to certain information provided by WGL in its Final Report<sup>19</sup> as well as concerns regarding potential free ridership costs.<sup>20</sup> To address those concerns, Staff recommended various reporting requirements, in addition to or within those proposed by the Company, should the Commission approve the Pilot extension.<sup>21</sup> Specifically, Staff recommended that the Company be directed to include the following information:

- An updated study to determine the per unit annual impact on electric consumption and an estimate of the cumulative impact on annual electric consumption, presented by electric service territory;
- The use of actual customer usage as recorded in the Company's billing system to determine the amount of added load resulting from the Pilot;
- Reported benefits to existing customers reflecting adjustments for actual costs and benefits once the project is completed and paid and billing has commenced;
- Estimates of rate reductions, or reductions in system costs, to existing customers; and
- Reported benefits to existing customers adjusted for the effect of free ridership costs (collectively, "2022 Staff Refinements").<sup>22</sup>

Staff continued to recommend that to the extent the Company impairs contribution payments, such impairment should be borne by shareholders.<sup>23</sup> Staff also noted that it had reviewed the ratemaking treatment of the Pilot in Case No. PUR-2021-00087<sup>24</sup> and verified: (1) the amount of unamortized contribution balances included in rate base was \$0; and (2) the amount of the amortization expense reflected in the Company's earnings test was \$23,663.<sup>25</sup>

On February 4, 2022, WGL filed its Comments on the Staff Report ("WGL Response"). In its Response, WGL requested that the Commission accept the Staff's alternative recommendation for a limited extension of the Pilot and grant the Company approval to continue the already enrolled Pilot projects over the next five-year period.<sup>26</sup> The Company stated that with the continued COVID-19 uncertainty impacting multifamily unit occupancy rates, as well as rising construction costs, it may be difficult in the near future to offer meaningful incentives to developers and builders for new projects.<sup>27</sup> WGL maintained that it would continue to work on the remaining enrolled Pilot projects within the parameters previously set by the Commission.<sup>28</sup>

On February 24, 2022, WGL filed a letter ("WGL Update Letter") to update the Commission on the projects currently enrolled in the Pilot, noting the addition of one development project, Sterling Meadow, and the removal of another, Ashburn Station.<sup>29</sup> The Company represented that even with this replacement, the Pilot would remain at 18 enrolled, but not yet completed, projects.<sup>30</sup>

<sup>16</sup> The Procedural Order also directed Staff to file as part of the Staff Report, any response to WGL's Final Report for the Period July 29, 2016 to July 28, 2021.

<sup>17</sup> Staff Report at 8.

<sup>18</sup> *Id.* at 11.

<sup>19</sup> The Final Report was filed with the Renewal Application as Frazzini Direct at Ex. 1.

<sup>20</sup> Staff Report at 12-19, 21.

<sup>21</sup> *Id.* at 22.

<sup>22</sup> *Id.* at 9, 22.

<sup>23</sup> *Id.* at 26.

<sup>24</sup> See *Application of Washington Gas Light Company, For an annual informational filing*, Case No. PUR-2021-00087, Doc. Con. Cen. No. 210450006, Annual Informational Filing (April 30, 2021).

<sup>25</sup> Staff Report at 26-27.

<sup>26</sup> WGL Response at 2.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 3. The Commission previously directed that "[c]ontribution payments made pursuant to the [Pilot] shall not exceed \$5.25 million over the term of the [Pilot] and [P]rogram participation shall be limited to no more than 7,000 individually metered apartments or condominium units." Pilot Approval Order at 11, 12.

<sup>29</sup> WGL Update Letter at 1-2.

<sup>30</sup> *Id.* at 2.

On March 25, 2022, Staff filed a response ("Staff Response") to the WGL Update Letter. Staff analyzed the effects of WGL's replacing the Ashburn Station project with the Sterling Meadow project and stated that if the Commission approved the proposed Pilot extension, then Staff does not oppose the replacement of these projects.<sup>31</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. A five-year extension of the Pilot, limited to the 26 enrolled Pilot projects, including the 18 projects that are planned and still pending, is approved, subject to the provisions of this Order. The approval granted herein shall continue for a period of five years from the date of this Order.

In approving the Company's initial Pilot for a five-year period, the Commission found that subject to certain size and spending limitations and reporting requirements, the initial Pilot was in the public interest pursuant to 20 VAC 5-303-60 of the Commission's Rules Governing Utility Promotional Allowances, 20 VAC 5-303-10 *et seq.*<sup>32</sup> Specifically, we required that the initial Pilot be limited to no more than 7,000 individually metered apartments or condominium units at a total cost cap of \$5.25 million over five years and directed WGL to report on the 2016 Metrics.<sup>33</sup> We find that these size and spending limitations shall remain in effect, subject to the additional limitation that the Company shall not enroll additional projects beyond the 18 projects that are currently pending. In addition, the Commission finds that WGL shall report annually on the 2016 Metrics and the 2022 WGL Reporting Enhancements, subject to the 2022 Staff Refinements. Subject to these requirements, we find that extension of the Pilot is in the public interest pursuant to 20 VAC 5-303-60.

Finally, determination of the ratemaking treatment of any impairments may be addressed in a future rate proceeding. The Commission's approval of the Pilot extension shall have no ratemaking implications. Specifically, the approval in this case shall not guarantee the recovery of any costs directly or indirectly related to the Pilot.

Accordingly, IT IS ORDERED THAT:

- (1) An extension of the Pilot is approved and shall continue for a period of five (5) years from the date of this Order.
- (2) Contribution payments made pursuant to the Pilot shall not exceed \$5.25 million over the term of the Pilot, and Pilot participation shall be limited to no more than 7,000 individually metered apartments or condominium units. These size and spending limits are subject to the further limitation that the Company shall not enroll additional projects beyond the 18 projects that are currently pending.
- (3) Forthwith, the Company shall file applicable tariffs to implement the Pilot extension with the Clerk of the Commission and shall submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance.
- (4) The Company shall report annually on the 2016 Metrics and the 2022 WGL Reporting Enhancements, subject to the 2022 Staff Refinements.
- (5) Determination of the ratemaking treatment of impairments may be addressed in a future rate proceeding. The Commission's approval of the Pilot extension shall have no ratemaking implications. Specifically, the approval in this case does not guarantee the recovery of any costs directly or indirectly related to the Pilot.
- (6) This case is continued.

<sup>31</sup> Staff Response at 2.

<sup>32</sup> Pilot Approval Order at 11. 20 VAC 5-303-60 provides, in part, the following: "Notwithstanding any of the provisions of this chapter, the Commission may authorize an otherwise prohibited promotional allowance program if the Commission finds that it is in the public interest."

<sup>33</sup> Pilot Approval Order at 11, 12.

**CASE NO. PUE-2015-00132  
MAY 16, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For approval of a revision to General Service Provision No. 14 of the Company's Virginia tariff and associated pilot program

**ORDER GRANTING RECONSIDERATION**

On April 25, 2022, the State Corporation Commission ("Commission") entered an Order on Renewal Application in this docket. On May 13, 2022, Washington Gas Light Company ("Company") filed a Petition for Clarification and Reconsideration ("Petition").

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition; schedules additional pleadings attendant to the Petition; and suspends the Order on Renewal Application.

Accordingly, IT IS ORDERED THAT:

- (1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the Petition.
- (2) Pending the Commission's consideration of the Petition, the Order on Renewal Application is suspended.
- (3) The Company may continue the Multi-Family Piping Pilot in the interim, pending a Commission decision on the Company's Petition.



- (4) On or before June 3, 2022, the Commission's Staff may file any response to the Petition.
- (5) On or before June 17, 2022, the Company may file a reply to any Commission Staff response.
- (6) This matter is continued.

**CASE NO. PUE-2015-00132  
JULY 13, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For approval of a revision to General Service Provision No. 14 of the Company's Virginia tariff and associated pilot program

**ORDER ON RECONSIDERATION**

On April 25, 2022, the State Corporation Commission ("Commission") entered an Order on Renewal Application ("April 25 Order") in this docket. On May 13, 2022, Washington Gas Light Company ("Company") filed a Petition for Clarification and Reconsideration ("Petition") concerning certain additional reporting on the Company's Multi-family Piping Pilot ("MFPP") required by Ordering Paragraph (4) of the April 25 Order. On May 16, 2022, the Commission granted reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition. The Commission also scheduled additional pleadings attendant to the Petition and suspended the April 25 Order. The Commission's Staff ("Staff") filed a Response to the Petition on June 3, 2022, and the Company filed a Reply on June 17, 2022.

NOW THE COMMISSION, upon consideration hereof, is of the opinion and finds that the additional reporting requirements required by Ordering Paragraph (4) of the April 25 Order shall remain in place subject to the conditions provided herein. To the extent the Company is unable to gather the data needed to make the determination(s) required by those additional reporting requirements, then the Company shall, at the time the report is made: (i) acknowledge its inability to gather such data, with an explanation of why the data cannot be gathered; and (ii) explain what steps the Company has taken to develop an estimate in the absence of such data, or explain why no such estimate can be developed. The Commission urges the Company and Staff to collaborate where they can to determine the data, assumptions, and methodologies that are responsive to each reporting item, that are attainable, and that will provide the most useful information to the Commission to evaluate the MFPP.

As to the requirement to report estimates of rate reductions, or reductions in system costs, to existing customers, the Company has clarified that adding over 4,000 customers to its system allows it to spread fixed costs over a larger base of customers, thereby "keeping rates lower than they would be without the [MFPP] program."<sup>1</sup> Though the Company has stated that it does not track costs attributable to one program,<sup>2</sup> the Commission expects the Company to provide, at a minimum in future reporting, a comparison of then-current rates based on the number of customers with and without the MFPP. The Company also shall work with Staff to determine how to develop and provide, through reporting: (i) an estimate of any capital additions (e.g., main or other system investments to meet additional peak load) and (ii) any effects on its purchased gas cost rates that result from the addition of MFPP customers.<sup>3</sup>

Additionally, with respect to "[t]he requirement to report benefits to existing customers reflecting adjustments for actual costs and benefits once a project is complete, paid, and billing has commenced,"<sup>4</sup> the Company explains that, among other things, it would require "at least 24 months from installation completion to obtain a more complete representation of actual usage in order to properly evaluate the revenues, and to derive a reasonable assessment of the benefits to existing customers."<sup>5</sup> The Commission finds that the Company shall submit one supplemental report that provides data on the actual usage associated with customers added through all MFPP projects; such report shall be due 30 months from the date of the last payment made to MFPP participants.<sup>6</sup> The Company states that it would like to collaborate and align with Staff on the methodology and updated assumptions that would be part of evaluating a project retroactively;<sup>7</sup> the Commission encourages such collaboration so that the supplemental report can provide meaningful data and analysis.

Accordingly, IT IS SO ORDERED and this case is continued.

<sup>1</sup> Reply at 4 (emphasis in original removed).

<sup>2</sup> *Id.*

<sup>3</sup> See Staff Report at 15-16.

<sup>4</sup> Reply at 2 (citing Staff Response at 2).

<sup>5</sup> *Id.* at 3.

<sup>6</sup> The Company shall notify Staff, within 30 days of its occurrence, that the Company has made the last payment to MFPP participants.

<sup>7</sup> Reply at 3.

**CASE NO. PUR-2017-00143  
MAY 12, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Idylwood-Tysons 230 kV single circuit underground transmission line, Tysons Substation rebuild and related transmission facilities

**ORDER GRANTING MOTION FOR EXTENSION  
OF CONSTRUCTION AND IN-SERVICE DATE**

On November 8, 2017, Virginia Electric and Power Company ("Dominion" or "Company") filed an application and supporting documents for State Corporation Commission ("Commission") approval to, among other things: (i) construct a new single circuit 230 kV underground transmission line, designated 230 kV Idylwood-Tysons Line #2175, to run approximately 4.3 miles from the Company's existing Idylwood Substation to the Company's existing Tysons Substation, with the project located entirely in Fairfax County; (ii) rebuild the Tysons Substation using Gas Insulated Substation ("GIS") equipment to accommodate a six-breaker 230 kV ring bus within the existing property boundaries; (iii) install new Gas Insulated Line terminal equipment at Idylwood Substation for the new Line #2175 installation; and (iv) perform relay work at the Reston Substation (collectively, "Project").

On September 5, 2018, the Commission issued its Final Order in this matter ("Final Order"),<sup>1</sup> which, among other things, authorized the Company to construct and operate the Project subject to the findings and conditions of the Final Order, and specified the in-service date for the Project. Ordering Paragraph (8) of the Final Order provided: "The Project approved herein must be constructed and in service by June 30, 2022. The Company, however, is granted leave to apply for an extension for good cause shown."<sup>2</sup>

On April 4, 2022, Dominion moved the Commission to extend the date for completing and energizing the Project from June 30, 2022 to December 31, 2023 ("Motion"). The Motion states that the Company reasonably believed at the time the Final Order was issued that a June 2022 in-service date would allow sufficient time to construct and energize the Project, subject to outage scheduling.<sup>3</sup> However, since receiving approval of the Project, the Company states that it has encountered several unexpected setbacks that have resulted in delays to the Project schedule and increased conceptual cost estimates.<sup>4</sup>

Among the multiple reasons given for the requested extension, the Company cites the following developments and events that have occurred following Commission approval: (i) delays attributable to Virginia Department of Transportation ("VDOT") imposed horizontal directional drilling ("HDD") requirements;<sup>5</sup> (ii) delays in obtaining pre-construction permits from VDOT to perform geotechnical work;<sup>6</sup> (iii) delays in obtaining Fairfax County noise waivers;<sup>7</sup> delays attributable to community outreach to homeowners' associations, additional local government outreach, and community outreach regarding a detour to the Washington & Old Dominion Trail;<sup>8</sup> and (iv) delays related to VDOT permits and approvals regarding the Maintenance of Traffic plan.<sup>9</sup>

The Company also states that the delays have increased Project costs by approximately \$77.3 million,<sup>10</sup> including, among other things: (i) increases in costs of engineering, materials, site preparation work, and underground line work;<sup>11</sup> (ii) increase in Project scope due to the change in drill method as required by VDOT<sup>12</sup>; (iii) increased costs due to VDOT permitting requirements necessitating extensive civil nighttime work<sup>13</sup>; (iv) added costs to re-route the Washington & Old Dominion Trail;<sup>14</sup> and (v) added costs due to VDOT-imposed requirements to monitor the HDD drill.<sup>15</sup> The Company

<sup>1</sup> *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Idylwood-Tysons 230 kV single circuit underground transmission line, Tysons Substation rebuild and related transmission facilities*, Case No. PUR-2017-00143, 2018 S.C.C. Ann. Rept. 291, Final Order (Sept. 5, 2018).

<sup>2</sup> 2018 S.C.C. Ann. Rept. at 295.

<sup>3</sup> Motion at 3.

<sup>4</sup> *Id.* at 3-4.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 4.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 5.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 6.

<sup>11</sup> *Id.* at 4.

<sup>12</sup> *Id.* at 5.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

states that Project costs will increase further due to delays to the Company's Idylwood Substation Rebuild Project. Due to these delays, the Company asserts that it will have to connect Line #2175 to a temporary location within the Idylwood Substation.<sup>16</sup> The Company also states that higher than anticipated vendor bids have contributed to the higher cost for the Project.<sup>17</sup>

The Company asserts that it believes the requested extension will provide sufficient time to complete the construction of the Project, and it asserts that this delay will not prejudice Staff or any party to this proceeding.<sup>18</sup> Further, the Company states that the granting of the requested extension will not lead to any known North American Electric Reliability Corporation violations.<sup>19</sup>

No responses to the Motion were filed.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company has established good cause to extend the current deadline for completing and energizing the Project from June 30, 2022 to December 31, 2023.

Accordingly, IT IS ORDERED THAT:

- (1) This case is reopened for the limited purpose of considering the Motion.
- (2) The deadline for completing and energizing the Project established under the Final Order herein is hereby extended from June 30, 2022 to December 31, 2023.
- (3) This matter is dismissed.

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<sup>16</sup> *Id.* at 6.

<sup>17</sup> *Id.* at 4, 6.

<sup>18</sup> *Id.* at 6.

<sup>19</sup> *Id.*

**CASE NO. PUR-2018-00054  
APRIL 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter concerning the implementation by Appalachian Power Company d/b/a American Electric Power-Virginia of reductions in rates for generation and distribution services pursuant to Enactment Clause Nos. 6 and 7 of Senate Bill 966

**ORDER DENYING MOTION**

During its 2018 Session, the Virginia General Assembly enacted Senate Bill 966, which in part directed the State Corporation Commission ("Commission") to implement adjustments in the rates for generation and distribution services of incumbent electric utilities, including Appalachian Power Company ("APCo" or "Company"), to reflect the actual annual reductions in corporate income taxes to be paid by the utilities pursuant to the provisions of the federal Tax Cuts and Jobs Act of 2017.<sup>1</sup>

On September 11, 2018, the Commission issued an Order Establishing Further Proceedings in this case, which established a procedural schedule and directed APCo to file certain information to enable the Commission to implement adjustments in APCo's rates for generation and distribution services in accordance with the requirements of Senate Bill 966. On March 8, 2019, the Commission issued a Final Order. Among other things, we found in the Final Order that: (i) APCo's unprotected accumulated deferred federal income taxes ("EDIT") balance should be \$93.57 million; and (ii) the unprotected EDIT balance should be amortized over a three-year period and implemented through the Company's Tax Rate Reduction Rider ("Rider T.R.R.").<sup>2</sup> In its Final Order, the Commission also dismissed this proceeding from its docket of active cases.<sup>3</sup>

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<sup>1</sup> 2018 Va. ch. 296.

<sup>2</sup> *See* Final Order at 3-4.

<sup>3</sup> *Id.* at 5.

On March 22, 2022, APCo filed a motion to reopen this proceeding for the limited purpose of accepting a revised tariff page for the Company's Rider T.R.R. to reflect the end of the three-year amortization of the Company's unprotected EDIT ("Motion").<sup>4</sup> APCo states that as of the end of the three-year amortization period on April 1, 2022, it expects to have approximately \$25 million in unprotected EDIT remaining on its books, which is comprised of approximately \$907,000 that will remain of the original \$93.57 million of unprotected EDIT discussed in the March 18, 2019 Final Order, as well as approximately \$24 million in additional unprotected EDIT that the Company recognized on its books following the filing of its final tax return for 2017.<sup>5</sup> APCo proposes to keep the balance of unprotected EDIT that remains as of April 1, 2022 in a regulatory liability, and states this regulatory liability can be addressed by the Commission in a future rate review proceeding.<sup>6</sup> APCo asserts that additional months of credit under Rider T.R.R. would likely exceed the \$907,000 balance that remains of the originally approved \$93.57 million of unprotected EDIT, and that the tariff should therefore be revised to eliminate this credit.<sup>7</sup> The Company also seeks expedited consideration of its Motion.<sup>8</sup>

On March 24, 2022, the Commission issued an Order Expediting Response and Reply, in which we provided interested persons and Commission Staff ("Staff") an opportunity to file responses to the Motion on an expedited basis. On March 30, 2022, Staff filed a response recommending the Commission deny the Motion and direct APCo to continue to provide a credit to customers through Rider T.R.R. until the balance of unprotected EDIT is returned to customers ("Staff Response").<sup>9</sup> Staff acknowledges in its Staff Response that it would likely be impossible for APCo to return the exact amount of unprotected EDIT, and therefore asserts APCo should continue the credits until such time as the Company anticipates that providing an additional month of credits under Rider T.R.R. would exceed the remaining balance of unprotected EDIT.<sup>10</sup> At that time, for any dollars that have not been credited back to customers, Staff states it would not oppose APCo treating this much smaller balance as a regulatory liability.<sup>11</sup> As such, Staff recommends that the last paragraph of APCo's tariff for Rider T.R.R. be stricken and the following language be inserted:

The PRFs shall remain in effect until either (i) the total remaining balance of unprotected EDIT has been credited to customers, or (ii) the estimated credit for the following month exceeds the remaining balance of unprotected EDIT, whichever comes first. At that time, the PRF will be set to zero and any remaining unprotected EDIT balance shall be placed in a regulatory liability and shall be addressed by the Commission in an appropriate future rate review proceeding.<sup>12</sup>

On March 31, 2021, respondents the Office of the Attorney General, Division of Consumer Counsel, the Old Dominion Committee for Fair Utility Rates, and the VML/VACo APCo Steering Committee filed a joint response opposing the Motion ("Joint Response"). The respondents oppose APCo's proposal to keep the additional \$25 million in unprotected EDIT in a regulatory liability until a future rate review proceeding and seek to have the entire balance of unprotected EDIT credited back to APCo's customers before Rider T.R.R. is sunset.<sup>13</sup> The respondents further oppose the Motion in so far as it deprives parties from analyzing and confirming the accuracy of the Company's calculation of the amount of remaining unprotected EDIT.<sup>14</sup>

On April 5, 2022, APCo filed a reply ("Reply"). In its Reply, APCo states that "it does not oppose revising Rider T.R.R. as proposed by the Staff and continuing to credit customers as the Staff recommends. The Company finds Staff's proposal to be reasonable and will allow the Company to return the unprotected EDIT without over-crediting customers and without the need to further move the Commission to revise the tariff."<sup>15</sup> APCo estimates that it will have returned the remaining unprotected EDIT in around 9.6 months, which would be approximately January 1, 2023.<sup>16</sup> APCo also states that it will provide any necessary information in its upcoming triennial review proceeding to allow Staff and any other parties to review its compliance with the Commission's Order on its Motion.<sup>17</sup>

NOW THE COMMISSION, upon consideration of this matter, finds as follows. We agree that customers would be best served by continuing the current credit in Rider T.R.R. until the remaining \$25 million of unprotected EDIT has been returned to customers, as continuing the credit would more expeditiously return the money to customers as compared to holding the funds in a regulatory liability. We further agree that it would very unlikely for APCo to return the exact \$25 million of unprotected EDIT and therefore find that APCo should continue the credits until such time as the Company

<sup>4</sup> See Motion at 1, 3-6.

<sup>5</sup> *Id.* at 5. The Company's final tax return was not finalized at the time the calculations in the Final Order were made. *Id.*

<sup>6</sup> *Id.* at 6.

<sup>7</sup> *Id.* at 5.

<sup>8</sup> *Id.* at 1, 6-7.

<sup>9</sup> Staff Response at 1.

<sup>10</sup> *Id.* at 6.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 7-8. Staff also notes that approving the above tariff language would prevent APCo from having to seek additional tariff changes once the remaining unprotected EDIT balance has been credited to customers. See *id.* at 7.

<sup>13</sup> Joint Response at 4-5.

<sup>14</sup> *Id.* at 5.

<sup>15</sup> Reply at 2.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 3.

anticipates that providing an additional month of credits under Rider T.R.R. would exceed the remaining balance of unprotected EDIT. At that time, any dollars that have not been credited back to customers shall be treated as a regulatory liability. We therefore find that APCo's tariff language for Rider T.R.R. shall be amended as set forth in the Staff Response.<sup>18</sup> Finally, we direct APCo to provide in its upcoming triennial review proceeding any necessary information to allow Staff and any other parties to review the Company's calculations of unprotected EDIT and the Company's compliance with this Order.

Accordingly, IT IS ORDERED THAT:

(1) APCo's Motion is denied as set forth herein.

(2) The Company forthwith shall file a revised Rider T.R.R. and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(3) This case is dismissed.

<sup>18</sup> See Staff Response at 7-8. We concur that by adopting this language APCo does not need to seek additional tariff changes in this docket to end the tariff once the remaining unprotected EDIT balance has been credited to customers.

**CASE NO. PUR-2020-00015**  
**AUGUST 22, 2022**

APPLICATION OF  
APPALACHIAN POWER COMPANY

For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia

**ORDER INITIATING REMAND PROCEEDINGS**

On November 24, 2020, the State Corporation Commission ("Commission") issued a Final Order in this docket.

On March 26, 2021, the Commission issued an Order on Reconsideration.

On August 18, 2022, the Supreme Court of Virginia issued an opinion that affirmed in part and reversed in part certain contested rulings in this matter, and that remanded the case for further proceedings consistent with the Court's opinion.<sup>1</sup>

NOW THE COMMISSION, upon consideration hereof, initiates proceedings on remand as set forth below.

(1) On or before September 23, 2022, the participants that previously submitted an earnings test and going forward revenue requirement may each submit a *revised* earnings test and going forward revenue requirement for the Rate Year beginning January 1, 2021. Such shall be based on the established evidentiary record in this case and the participant's stated positions in this proceeding on going-forward adjustments as of the date of the Order on Reconsideration. The proposed revenue requirements shall reflect the Court's rulings in the above-referenced opinion and shall be based on the 9.20% return on equity approved in the Final Order. Each participant's filing shall include brief testimony (including a one-page summary) with supporting schedules, explaining the changes necessary to reflect the participant's proposed revised revenue requirement.

(2) On or before September 23, 2022, Appalachian Power Company ("Appalachian" or "Company") shall file proposed interim rates for (a) base rates going forward, and (b) a rider designed to collect revenues not collected from January 1, 2021, through September 30, 2022. The Company shall implement such interim rates beginning October 1, 2022. The interim rates shall be subject to Commission review and potential refund, and may be adjusted by further Commission order(s) in these remand proceedings.

(3) On or before September 23, 2022, the Company, the Commission's Staff, and any party choosing to participate in these remand proceedings shall submit a combined issues matrix on the outstanding disputed going-forward issues as of the close of the evidentiary record in the underlying case, adjusted for the rulings in the Court's opinion. No new positions shall be submitted regarding earnings test adjustments, going-forward accounting adjustments, or rate design.

(4) These remand proceedings are limited to conducting a going-forward rate year review in accordance with the Court's directive. Accordingly, no further information is to be filed on the earnings tests reviewed and ruled upon in the underlying proceedings and subsequent appeal, with the exception of adjustments necessary to incorporate the Court's rulings and calculate the going-forward revenue requirement.

Accordingly, IT IS SO ORDERED, and this matter is continued pending further order of the Commission.

<sup>1</sup> Supreme Court of Virginia Record Nos. 210391 and 210634.

**CASE NO. PUR-2020-00015  
DECEMBER 21, 2022**

APPLICATION OF  
APPALACHIAN POWER COMPANY

For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia

**ORDER ON REMAND**

On March 31, 2020, Appalachian Power Company ("APCo" or "Company") initiated the instant docket by filing its "triennial review" application for the years 2017-2019 ("Application"). Pursuant to Code § 56-585.1 A 8, the "Commission's final order regarding such triennial review shall be entered not more than eight months after the date of filing."

On November 24, 2020, after a full evidentiary proceeding on APCo's triennial review Application, the State Corporation Commission ("Commission") issued a Final Order in this docket.

On November 25, 2020, APCo filed a Notice of Appeal of the Final Order.

On December 14, 2020, APCo filed a Petition for Reconsideration of the Final Order, and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") filed a Petition for Reconsideration, Clarification, and Rehearing.

On December 15, 2020, Consumer Counsel filed a Notice of Appeal of the Final Order.

On March 26, 2021, the Commission issued an Order on Reconsideration.

On April 2, 2021, Consumer Counsel filed an updated Notice of Appeal. APCo filed an updated Notice of Appeal on April 5, 2021.

On August 18, 2022, the Supreme Court of Virginia issued an opinion that affirmed in part and reversed in part certain contested rulings in this matter, and that remanded the case for further proceedings consistent with the Court's opinion.<sup>1</sup>

On August 22, 2022, the Commission issued an Order Initiating Remand Proceedings, which directed as follows:

(1) On or before September 23, 2022, the participants that previously submitted an earnings test and going-forward revenue requirement may each submit a *revised* earnings test and going-forward revenue requirement for the Rate Year beginning January 1, 2021. Such shall be based on the established evidentiary record in this case and the participant's stated positions in this proceeding on going-forward adjustments as of the date of the Order on Reconsideration. The proposed revenue requirements shall reflect the Court's rulings in the above-referenced opinion and shall be based on the 9.20% return on equity approved in the Final Order. Each participant's filing shall include brief testimony (including a one-page summary) with supporting schedules, explaining the changes necessary to reflect the participant's proposed revised revenue requirement.

(2) On or before September 23, 2022, [APCo] shall file proposed interim rates for (a) base rates going forward, and (b) a rider designed to collect revenues not collected from January 1, 2021, through September 30, 2022. The Company shall implement such interim rates beginning October 1, 2022. The interim rates shall be subject to Commission review and potential refund, and may be adjusted by further Commission order(s) in these remand proceedings.

(3) On or before September 23, 2022, the Company, the Commission's Staff, and any party choosing to participate in these remand proceedings shall submit a combined issues matrix on the outstanding disputed going-forward issues as of the close of the evidentiary record in the underlying case, adjusted for the rulings in the Court's opinion. No new positions shall be submitted regarding earnings test adjustments, going-forward accounting adjustments, or rate design.

(4) These remand proceedings are limited to conducting a going-forward rate year review in accordance with the Court's directive. Accordingly, no further information is to be filed on the earnings tests reviewed and ruled upon in the underlying proceedings and subsequent appeal, with the exception of adjustments necessary to incorporate the Court's rulings and calculate the going-forward revenue requirement.

On September 23, 2022, the Company, the Staff of the Commission ("Staff"), and Consumer Counsel each filed revised going-forward revenue requirements, along with supporting testimony. In addition, the Company, Consumer Counsel, Staff, VML/VACo APCo Steering Committee ("VML/VACo"), and Old Dominion Committee for Fair Utility Rates ("Committee") filed a combined issues matrix setting forth the participants' positions on the issues remanded to the Commission by the Court.

On September 30, 2022, the Commission issued an Order assigning this matter to a Hearing Examiner as follows:

[The] Hearing Examiner [shall] conduct further proceedings in this matter, including preparation of a report containing the Hearing Examiner's findings and recommendations. These proceedings shall be limited to a going-forward rate year review in accordance with the Court's directive. No evidence is to be considered on the earnings tests reviewed and ruled upon in the underlying proceedings and subsequent appeal, apart from adjustments necessary to incorporate the Court's rulings and calculate the going-forward revenue requirement.<sup>2</sup>

<sup>1</sup> *Appalachian Power Co. v. State Corp. Comm'n*, \_\_\_ Va. \_\_\_, 876 S.E.2d 349 (2022).

<sup>2</sup> Order at 2.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On November 2, 2022, Commission Hearing Examiner D. Mathias Roussy, Jr., convened an evidentiary hearing on remand. The Hearing Examiner issued his Report in this matter on November 17, 2022, and on November 28, 2022, issued an Errata thereto (collectively, "Report").

On December 1, 2022, comments on the Report were filed by: APCo; Consumer Counsel; VML/VACo; the Committee; Virginia Poverty Law Center ("VPLC"); Appalachian Voices; and Staff.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.<sup>3</sup>

#### Hearing Examiner's Report

After analyzing the law and weighing the evidence – and providing a thorough and detailed analysis thereof – the Hearing Examiner made the following recommendations:<sup>4</sup>

Accordingly, I RECOMMEND the Commission enter an order that:

1. *FINDS* the Company earned a 7.945% combined rate of return on common equity for the 2017-2019 triennial review period;
2. *APPROVES* a going-forward revenue requirement increase of \$28.4 million for APCo's base generation and distribution rates, which includes deferred recovery of the statutory regulatory asset amortized over three years;
3. *DIRECTS* APCo to file revised tariffs reflecting a \$28.4 million going-forward revenue requirement increase for base generation and distribution rates;
4. *GRANTS* conditional approval of a revised Rider R.C.R. that: (a) reflects a \$28.4 million going-forward base rate revenue requirement increase; (b) removes from its actual revenue baseline any revenues from January 1, 2021, through January 22, 2021; (c) updates the estimate of September 2022 revenues to actual revenues for the actual revenue baseline; and (d) includes tariff language indicating that Rider R.C.R. automatically resets to zero upon reaching the amount targeted by the rider;
5. *CONDITIONS* approval of the revised Rider R.C.R. on a requirement for the Company to impute all Rider R.C.R. revenues into the 2021 and 2022 earnings test; and/or *MAINTAINS* the revised Rider R.C.R. as an interim rate subject to refund until the Commission has completed the earnings test in the upcoming triennial review;
6. *DIRECTS* customer refunds of base rate and Rider R.C.R. recoveries from interim rates exceeding the revised tariff rates approved by the Commission; and
7. *DIRECTS* Staff to ensure the revised rates filed by APCo comply with this order, including verification of the Rider R.C.R. calculations and the underlying actual revenues.

Upon consideration of this matter, the Commission concludes that the Hearing Examiner's rulings, findings, and recommendations are supported by law and the evidence, have a rational basis, and are adopted herein.<sup>5</sup> In addition, the Commission further discusses below its findings for purposes of this remand proceeding.

#### Triennial Review Proceeding

As part of the triennial review proceeding, the Commission was required to determine the Company's reasonable earned return for the 2017-2019 historical three-year period. To do this, the Commission must approve reasonable *costs* for 2017-2019.<sup>6</sup> If the Commission finds that APCo's revenues during that period were insufficient to recover reasonable costs by a statutorily-prescribed amount, then the statute requires a going-forward rate increase as necessary for the purposes stated therein.<sup>7</sup> As dictated by this statutory scheme, in the triennial review proceeding the Commission received evidence and argument on both historical (2017-2019) and future (for purposes of setting going-forward rates, if necessary) revenues and expenses.

#### *Commission*

APCo's historical expenses for 2019 included an asset impairment charge of \$88.3 million for power plant closures in 2015. The Commission found that this asset impairment expense was unreasonable.<sup>8</sup> As a result of this finding, the Company had sufficient revenues to recover its *reasonable* costs under the statute. Thus, the Final Order did not include findings necessary to approve a change in rates on a going-forward basis.

<sup>3</sup> The Commission has fully considered the evidence and arguments in the record. *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

<sup>4</sup> Report at 26 (emphases in original).

<sup>5</sup> *See* Report. In so doing, the Commission has made a factual finding on each going-forward rate issue.

<sup>6</sup> Final Order at 2-4.

<sup>7</sup> *Id.* at 3; Code § 56-585.1 A 8 a.

<sup>8</sup> Final Order at 5-12; Order on Reconsideration at 6-19. *See also* Remand Tr. at 1287 (Consumer Counsel); Consumer Counsel's Remand Comments at 1 ("Consumer Counsel's witness described this accounting maneuver to be 'unconscionable' in the context of its effects on customers' cost-of-service.") (citation omitted).

*APCo*

APCo appealed the Commission's decision to the Supreme Court of Virginia. On appeal, the Company did not contest the Commission's conclusion that the \$88.3 million asset impairment cost was *unreasonable*. Rather, APCo claimed that the General Assembly has removed the Commission's authority to reject this asset impairment charge, even if it is unreasonable.<sup>9</sup>

*Supreme Court of Virginia*

The Court, in turn, did not find that the \$88.3 million asset impairment cost was reasonable. Rather, the Court agreed with the Company and held that Code § 56-585.1 A 8 removes the Commission's authority to protect customers from an unreasonable asset impairment cost in this instance.<sup>10</sup>

In other words, as discussed by the Hearing Examiner, the Court found that the statute required the Commission to accept this charge as part of the 2017-2019 triennial review proceeding, regardless of whether it was reasonable.<sup>11</sup> The Hearing Examiner further noted that the Court understood this outcome and its potential impact on rates.<sup>12</sup>

In sum, the Court found the Commission made an *error of law* in denying this charge and remanded the case to the Commission "for further proceedings consistent with this opinion."<sup>13</sup>

Remand Proceeding

As a result, the purpose of this remand proceeding is for the Commission to revise its final decision for APCo's 2017-2019 triennial review in a manner that faithfully implements the statutory requirements, given that the Commission's rejection of the \$88.3 million asset impairment cost has been declared improper by the Court as a matter of law.

In this regard, it is uncontested that the Court's reversal of the Commission's finding lowers APCo's earned return for 2017-2019 such that the Commission "shall order *increases to the utility's rates* necessary to provide the opportunity to fully recover the costs of providing the utility's services and to earn not less than such fair combined rate of return, using the most recently ended 12-month test period as the basis for determining the amount of the rate increase necessary."<sup>14</sup>

*Implementation*

As discussed above, the Commission is required to implement the Court's partial reversal for purposes of APCo's 2017-2019 triennial review proceeding, which requires approval of the \$88.3 million asset impairment cost. If the Commission had not rejected this cost, the Final Order – issued within the statutory deadline therefor – would have included findings on contested ratemaking issues necessary to establish new rates on a going-forward basis in accordance with the statute. Furthermore, those findings would have been based on the fully litigated record developed during the triennial review proceeding for that very purpose.

That is precisely what we have done herein. The purpose of the instant remand is to correct the legal error as held by the Court, not to relitigate issues that have already been fully litigated for the 2017-2019 triennial review. Thus, in correcting the legal error on remand, the Commission has reasonably rejected requests to reopen the record for purposes of relitigating contested going-forward ratemaking issues, which all parties already had a full opportunity to litigate in the triennial review proceeding. Similarly, the Commission has also reasonably rejected requests to include new evidence that came into being *after* the statutory timeframe for the 2017-2019 triennial review proceeding.

Next, as recommended by the Hearing Examiner, the Commission has also ordered additional requirements herein (including Rider R.C.R.), which are necessary to implement the resulting rate increase in a manner that reasonably effectuates the outcome that would have occurred if such rate increase had been approved during the statutorily prescribed timeframe of the 2017-2019 triennial review proceeding. The Commission concludes that the Court would not consider this outcome to be illegal "retroactive ratemaking." Quite to the contrary, it is necessary to correct the legal error as mandated by the Court.<sup>15</sup>

<sup>9</sup> See, e.g., *Appalachian Power Co.*, \_\_\_ Va. at \_\_\_, 876 S.E.2d at 357, 359.

<sup>10</sup> *Id.*, \_\_\_ Va. at \_\_\_, 876 S.E.2d at 359-360, 365.

<sup>11</sup> Report at 1 n.1.

<sup>12</sup> *Id.* at 1 n.2 (quoting *Appalachian Power Co.*, \_\_\_ Va. at \_\_\_, 876 S.E.2d at 372 (Mims, S.J., and Powell, J., dissenting) ("The majority's holding also takes away the Commission's ability to protect rate payers from potentially unreasonable accounting practices that will result in rate increases. Now that [APCo] will be permitted to allocate all the asset impairment costs for the retired units in 2019, [APCo]'s earnings for the triennial review period will be lowered to such an extent that the Commission will be required to conduct a going-forward rate case and [APCo] will be entitled to raise its rates.")).

<sup>13</sup> *Appalachian Power Co.*, \_\_\_ Va. at \_\_\_, 876 S.E.2d at 370.

<sup>14</sup> Code § 56-585.1 A 8 a (emphases added). See also Report at 8.

<sup>15</sup> The Commission also rejects claims that this may violate notice requirements. Rather, as explained by the Hearing Examiner, the "total revenues that APCo proposes on remand are less than the total revenues that the noticed rates proposed by the Application would have produced over the relevant period." Report at 23.



Finally in this regard, and consistent with the approach above, the Commission agrees with the Hearing Examiner that if the instant rate increase was included in the Final Order, it would have been made effective 60 days thereafter (*i.e.*, January 23, 2021), and that such date shall be utilized for calculating the revenue increase approved herein.<sup>16</sup> In addition, as also discussed by the Hearing Examiner, the Commission finds that to prevent potential double-recovery (among other things): (1) the Company shall impute all Rider R.C.R. revenues into the 2021 and 2022 earnings test; (2) Rider R.C.R. shall remain subject to refund until the Commission has completed the earnings test for 2021 and 2022; and (3) the Company shall modify the Rider R.C.R. tariff to provide that it automatically resets to zero upon reaching the amount targeted by such rider.<sup>17</sup>

#### *Rate Increase*

Consumer Counsel, VML/VACo, the Committee, VPLC, and Appalachian Voices all expressed serious concerns about further raising customers' rates, especially given the other rate increases APCo's customers have recently experienced under various statutory rate mechanisms.<sup>18</sup> The Commission shares these concerns about the very real impacts these rate increases have on APCo's customers. Indeed, as explained above, the Commission's rejection of an unreasonable asset impairment cost in the initial triennial review proceeding had the direct result of avoiding a further rate increase.

Finally, the rate increase requested by APCo on remand has been in effect on an interim basis, subject to refund, since October 1, 2022.<sup>19</sup> Those rates reflect APCo's requested rate increase, following the Supreme Court remand,<sup>20</sup> of \$40.6 million on an annual basis effective January 1, 2021.<sup>21</sup> Based on the Commission's findings herein (on issues for which the Commission still retains discretion), this annual rate increase has been *reduced* to \$28.4 million.<sup>22</sup> As a result, the instant Order on Remand necessitates that APCo refund amounts previously recovered on an interim basis in excess of this approval.<sup>23</sup> Compared to APCo's original request of \$65 million, the instant Order on Remand reduces the annual base rate increase by more than 50%.

Accordingly, IT IS ORDERED THAT:

- (1) The Commission adopts the Hearing Examiner's findings and recommendations as set forth herein.
- (2) The Hearing Examiner's recommendations, set forth herein, are hereby ordered.
- (3) The Company shall forthwith file revised tariffs and terms and conditions of service and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives and findings set forth in this Order on Remand. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (4) The Company shall recalculate, using the rates and charges approved herein, each bill it rendered that used, in whole or in part, the rates and charges that took effect on an interim basis and subject to refund on October 1, 2022, and where application of the new rates results in a reduced bill, refund the difference with interest (as set out below) within ninety (90) days of the issuance of this Order on Remand.
- (5) Interest upon the ordered refunds shall be computed from the date payments of monthly bills were due to the date each refund is made at the average prime rate for each calendar quarter, compounded quarterly, using the average prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates (Statistical Release H. 15) for the three (3) months of the preceding calendar quarter.
- (6) The refunds ordered herein may be credited to the current customers' accounts. Refunds to former customers shall be made by check or pre-paid credit card mailed to the last known address of such customers when the refund amount is \$1 or more. The Company may offset the credit or refund to the extent of any undisputed outstanding balance for the current or former customer. No offset shall be permitted against any disputed portion of an outstanding balance. The Company may retain refunds to former customers when such refund is less than \$1; however, such refunds shall be made promptly upon request. All unclaimed refunds shall be subject to Code § 55.1-2512.
- (7) Within sixty (60) days of completing the refunds ordered herein, the Company shall deliver to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance a report showing that all refunds have been made pursuant to this Final Order and detailing the costs incurred in effecting such refunds and the accounts charged.
- (8) The Company shall bear all costs incurred in effecting the refunds ordered herein.
- (9) This matter is dismissed.

<sup>16</sup> *Id.* at 23-24. To the extent argued that this conflicts with the Commission's Order Initiating Remand Proceedings, we have explicitly adopted the Hearing Examiner's findings and recommendation thereon.

<sup>17</sup> *Id.* at 24-25.

<sup>18</sup> *See, e.g.*, Remand Tr. at 1287, 1270, 1278, 1273, and 1276, respectively.

<sup>19</sup> Report at 21.

<sup>20</sup> In the Application, as originally filed, APCo requested a base rate increase of \$65 million. Ex. 1 (Application) at 9.

<sup>21</sup> Report at 4. The interim rates include both a going-forward rate increase commencing October 1, 2022, of \$40.6 million, plus Rider R.C.R. for recovery of uncollected revenues from January 1, 2021, to September 30, 2022, which is an additional \$54.1 million an annual basis. Ex. R135 (Castle) at 2. Rider R.C.R. will be in effect for 16 months commencing October 1, 2022.

<sup>22</sup> Report at 26.

<sup>23</sup> The Company may implement this refund as proposed. *See, e.g.*, Ex. R135 (Castle) at 4.

**CASE NO. PUR-2020-00027**  
**JUNE 30, 2022**

APPLICATION OF  
SUNWAVE USA HOLDINGS, INC.

For a license to conduct business as a competitive service provider of electricity supply and natural gas supply

**ORDER CANCELLING LICENSES**

On February 11, 2020, Sunwave USA Holdings, Inc. ("Sunwave" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider of electricity supply service pursuant to § 56-587 of the Code of Virginia ("Electricity Application"). Sunwave, contemporaneous to the Electricity Application, filed an application for a license to do business as a competitive service provider of natural gas supply service pursuant to § 56-235.8 of the Code of Virginia ("Natural Gas Application").

On March 16, 2020, the Commission entered an Order for Notice and Comment ("Procedural Order") which ordered the Electricity Application and Natural Gas Application to be treated as one (collectively "Application" hereafter) proceeding under Case No. PUR-2020-00027. The Procedural Order closed Case No. PUR-2020-00026. On April 14, 2020, the Commission issued License Nos. E-42 and G-55 to Sunwave.<sup>1</sup>

On June 23, 2022, Commission Staff ("Staff") received a letter ("Letter") notifying the Commission that Sunwave wished to surrender its licenses to conduct business as a competitive service provider of electricity supply and natural gas supply. In its Letter, Sunwave indicated that it does not have electricity supply or natural gas supply customers in Virginia. The Letter also acknowledged the Company would have to file a new application and become licensed as a competitive service provider before it would be able to provide competitive energy services to customers in Virginia in the future.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that it should cancel License Nos. E-42 and G-55 and that this proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT:

- (1) License No. E-42 issued to Sunwave to conduct business as a competitive service provider of electricity supply service is hereby cancelled.
- (2) License No. G-55 issued to Sunwave to conduct business as a competitive service provider of natural gas supply service is hereby cancelled.
- (3) This matter is dismissed.

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<sup>1</sup> See *Application of Sunwave USA Holdings, Inc., For a license to conduct business as a competitive service provider of electricity supply and natural gas supply*, Case No. PUR-2020-00027, 2020 S.C.C. Ann. Rept. 445-446, Order Granting License (Apr. 14, 2020).

**CASE NO. PUR-2020-00082**  
**APRIL 1, 2022**

APPLICATION OF  
INTL FCSTONE FINANCIAL INC.

For a license to conduct business as an aggregator of electricity supply service

**ORDER REISSUING LICENSE**

On July 29, 2020, the State Corporation Commission ("Commission") entered an Order Granting License and issuing License No. A-107 to INTL FCStone Financial Inc. ("INTL" or "Company"), for authority to provide electricity aggregation services to eligible commercial, industrial, and governmental customers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV"), pursuant to the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").<sup>1</sup>

On March 30, 2021, the Company filed a letter notifying the Commission of the Company's name change to StoneX Financial Inc. ("StoneX"). In support of its letter, the Company provided documents verifying the Company's legal name change.<sup>2</sup>

NOW THE COMMISSION, upon consideration of the foregoing and of the applicable law, finds that License No. A-107, issued to INTL, should be cancelled and reissued as License No. A-107A in the name of StoneX.

Accordingly, IT IS ORDERED THAT:

- (1) License No. A-107, issued in the name of INTL FCStone Financial Inc., to provide competitive electricity aggregation services to eligible commercial, industrial, and governmental customers in the service territory of DEV, is hereby cancelled and reissued as License No. A-107A, in the name of StoneX Financial Inc.

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<sup>1</sup> 20 VAC 5-312-10 *et seq.*

<sup>2</sup> See Company's Letter Notifying Commission of Name Change at 2.

(2) StoneX shall operate under this license pursuant to the same terms and conditions as set forth in the Order Granting License entered into this docket on July 29, 2020. This license to act as a competitive electricity aggregation services remains subject to the provisions of the Commission's Retail Access Rules, this Order, and other applicable law.

(3) This license is valid authority only for the entity named herein and any additional name or other corporate changes shall require further Commission approval.

(4) This license is not valid authority for the provision of any product or service not identified within the license itself.

(5) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

**CASE NO. PUR-2020-00110**  
**AUGUST 30, 2022**

APPLICATION OF  
KENTUCKY UTILITIES COMPANY D/B/A OLD DOMINION POWER COMPANY

For approval and certification of electric transmission facilities under Va. Code § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1, *et seq.*

ORDER GRANTING MOTION FOR EXTENSION  
OF CONSTRUCTION AND IN-SERVICE DATE

On June 3, 2020, Kentucky Utilities Company d/b/a Old Dominion Power Company ("Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certificates of public convenience and necessity for structure replacements on three 161 kilovolt ("kV") transmission lines within the Company's existing rights-of-way ("ROWs") in Lee and Wise Counties, Virginia. The Company sought to replace certain wood structures with galvanized steel structures on three separate 161 kV transmission circuits, entirely within its existing ROW ("Rebuild Project").

On November 10, 2020, the Commission issued its Final Order in this matter ("Final Order"),<sup>1</sup> which, among other things, authorized the Company to construct and operate the Rebuild Project subject to the findings and conditions of the Final Order, and specified the in-service date for the Rebuild Project. Ordering Paragraph (6) of the Final Order provided: "The Rebuild Project approved herein must be constructed and in service by October 31, 2022. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request."<sup>2</sup>

On July 29, 2022, the Company moved the Commission to extend the date for completing and energizing the Dorchester to Pocket North line component of the Rebuild Project from October 31, 2022, to December 31, 2024 ("Motion"). The Company states that as part of the Virginia Department of Environmental Quality's ("DEQ") stormwater permitting, the DEQ has required mitigation or the acquisition of phosphorous credits.<sup>3</sup> The Company also asserts that the U.S. Army Corps of Engineers and the DEQ may require a Joint Permit Application for wetland impacts based on the timing of the DEQ stormwater permit.<sup>4</sup> The Company states that the completion of the permitting process is expected to take at least another 12 months.<sup>5</sup>

In its Application, the Company represented that on the Dorchester to Pocket North line, it would be replacing 89 wood structures and repairing 22 structures. The Company now states that it expects to find some of the 22 structures scheduled for repair will need to be replaced, but the impact of this on the estimated cost of the Rebuild Project is minimal.

No responses to the Motion were filed.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company has established good cause to extend the current deadline for completing and energizing the Dorchester to Pocket North line component of the Rebuild Project from October 31, 2022, to December 31, 2024.

<sup>1</sup> *Application of Kentucky Utilities Company, For approval and certification of electric transmission facilities: under Va. Code § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1, Case No. PUR-2020-00110, 2020 S.C.C. Ann. Rept. 545, Final Order (Nov. 10, 2020).*

<sup>2</sup> *Id.*

<sup>3</sup> Motion at 2.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

Accordingly, IT IS ORDERED THAT:

(1) This case is reopened for the limited purpose of considering the Motion.

(2) The deadline for completing and energizing the Dorchester to Pocket North line component of the Rebuild Project established under the Final Order herein is hereby extended from October 31, 2022, to December 31, 2024.

(3) This matter is dismissed.

**CASE NO. PUR-2020-00124  
OCTOBER 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of establishing regulations for a multi-family shared solar program pursuant to § 56-585.1:12 of the Code of Virginia

**FINAL ORDER**

In 2020, the Virginia General Assembly enacted legislation, later codified as Code § 56-585.1:12, which among other things required the State Corporation Commission ("Commission"), by regulation, to establish the Multi-Family Shared Solar Program ("MFSS Program" or "Program").<sup>1</sup> Through this Program, eligible customers of investor-owned utilities, whose customers live in multi-family dwellings (*e.g.*, an apartment complex), have the opportunity to participate in shared solar projects.<sup>2</sup>

Generally speaking, a multi-family customer would purchase one or more subscriptions to a solar facility that qualifies as a "shared solar facility." In return, participating customers would receive credit on their utility bill by "multiplying the subscriber's portion of the kilowatt-hour ["kWh"] electricity production from the shared solar facility by ... the effective retail rate of the customer's rate class, which shall be inclusive of all supply charges, delivery charges, demand charges, fixed charges, and any applicable riders or other charges to the customer."<sup>3</sup>

The Commission established the Program by adopting the Rules Governing Multi-Family Shared Solar Program ("MFSS Rules") on December 23, 2020.<sup>4</sup>

One utility participating in the Program is Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"). On June 29, 2021, the Commission issued an Order in this docket that, in part, set the initial bill credit rate for the Program at 11.765¢/kWh for Dominion and required Dominion to file "one (1) original document containing any revised tariff provisions necessary to implement" the MFSS Rules.<sup>5</sup> Dominion filed multiple documents and workpapers, including revised tariff provisions labeled as Schedule Multi-Family Shared Solar and Schedule Subscriber Organization – Multi-Family Shared Solar on June 30, 2021, in an effort to comply with the Commission's December 23, 2020 Order and incorporate the bill credit rate set by the Commission's June 29, 2021 Order.

By letter filed on July 15, 2021, the Commission's Division of Public Utility Regulation ("Division") rejected Dominion's proposed tariff sheets as submitted because they contained administrative charges. According to the Division, the Commission itself must "determine the need for and amount of any appropriate administrative charge" in accordance with MFSS Rule 80 A.<sup>6</sup> The Division stated that because the Commission has not determined the need for and amount of any administrative charge applicable to the Program, it was "improper on Dominion's part to include such charges without any prior petition for Commission acceptance and approval."<sup>7</sup> The Division rejected Dominion's tariff sheets.<sup>8</sup>

On September 1, 2021, Dominion filed a petition ("Petition") with the Commission requesting that the Commission: (1) specifically approve, as a component of its tariff sheets, the Company's proposed administrative charge; and (2) collectively accept and approve the Company's tariff sheets.<sup>9</sup>

<sup>1</sup> 2020 Va. Acts chs. 1187, 1188, 1189, 1237.

<sup>2</sup> Code §§ 56-585.1:12 A, C.

<sup>3</sup> Code §§ 56-585.1:12 C, D.

<sup>4</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing regulations for a multi-family shared solar program pursuant to § 56-585.1:12 of the Code of Virginia*, Case No. PUR-2020-00124, 2020 S.C.C. Ann. Rept. 571, Order Adopting Rules (Dec. 23, 2020) ("December 23, 2020 Order"). *See also* Code § 56-585.1:12 B.

<sup>5</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing regulations for a multi-family shared solar program pursuant to § 56-585.1:12 of the Code of Virginia*, Case No. PUR-2020-00124, Order at 5 (June 29, 2021) ("June 29, 2021 Order").

<sup>6</sup> Letter from David R. Eichenlaub, Deputy Director, Division of Public Utility Regulation, State Corporation Commission, dated July 15, 2021, to Timothy D. Patterson, Esquire, McGuireWoods LLP, filed in Case No. PUR-2020-00124 at 1.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 2.

<sup>9</sup> Ex. 3 (Petition) at 3.

On September 29, 2021, the Commission issued an Order for Notice and Comment that, among other things, required Dominion to provide public notice of its proposed administrative charges; provided interested persons an opportunity to file comments on the proposed administrative charges, file a notice of participation as a respondent, and request that a hearing be convened; directed the Commission's Staff ("Staff") to investigate the proposed administrative charges and present its findings and recommendations in a report; and assigned a Hearing Examiner to rule on any discovery matters that arise during the course of this proceeding. On October 14, 2021, the Commission issued a Correcting Order in response to an Errata Filing by Dominion, correcting certain figures included in the Order for Notice and Comment.

Notices of Participation, Comments and Requests for Hearing were filed by: the Coalition for Community Solar Access and the Chesapeake Solar and Storage Association ("CCSA-CHESSA"); Appalachian Voices; and Direct Energy Business, LLC and Direct Energy Services, LLC ("Direct Energy"). On December 15, 2021, Staff filed its report. On December 29, 2021, Dominion filed Response Comments.

On January 14, 2022, the Commission issued an Order assigning this matter to a Hearing Examiner to conduct further proceedings on Dominion's request for approval of its proposed administrative charge.

The Hearing Examiner conducted an evidentiary hearing on this matter on March 25 and 28, 2022, including the receipt of the testimony of 17 public witnesses and the receipt of evidence from the Company, Staff, and respondents.<sup>10</sup>

On May 9, 2022, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"), was issued. The Report provided an extensive review of the law, facts, and positions of all participants, and included the Hearing Examiner's findings and recommendations. Comments on the Report were subsequently filed by Dominion, CCSA-CHESSA, Appalachian Voices, and Direct Energy.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

Code of Virginia

Code § 56-585.1:12 E provides in part as follows (emphases added):

E. The Commission shall establish by regulation a multi-family shared solar program by January 1, 2021, and shall require each investor-owned utility to file any tariffs, agreements, or forms necessary for implementation of the program. Any rule or utility implementation filings approved by the Commission shall:  
\*\*\*

7. Allow the investor-owned utilities to recover reasonable costs of *administering the program*;

As recognized by the Hearing Examiner, Dominion and the respondents disagree as to the types of costs that properly fall within "administering the program" as referenced immediately above. In general, Dominion asserts that such costs include costs of providing electric services that would normally be incurred to serve such customers (such as transmission and distribution delivery charges), whereas respondents assert that such costs are limited to additional costs that arise as a result of, or are directly related to, the Multi-Family Program.<sup>11</sup>

Code § 56-585.1:12 does not define, or list costs falling within, "administering the program." Thus, turning to the dictionary, "administer" is defined as: "1 a (1) : to manage the affairs of ... (2) : to direct or superintend the execution, use, or conduct of..."<sup>12</sup> Because, like the Hearing Examiner, we find that the dictionary definition does not appear to definitively answer this question, we next turn to another tenet of statutory construction.

Specifically, there are two statutes devoted to the subject matter of shared solar programs in Title 56: the instant Code § 56-585.1:12; and Code § 56-594.3. Code § 56-585.1:12 allows customers living in multi-family dwellings to subscribe to a portion of a shared solar facility that is located on the premises of, or adjacent to, the multi-family customer.<sup>13</sup> Code § 56-594.3 allows any customer to subscribe to a portion of a shared solar facility located anywhere within the utility's service territory.<sup>14</sup> These two statutes are similarly structured and include many similar-type provisions.

For purposes of this analysis, *both* statutes expressly allow the utility "to recover reasonable costs of administering the program."<sup>15</sup> Yet, notwithstanding the similarities between the two statutes, there is at least one glaring difference. Code § 56-594.3 separately addresses the additional recovery of costs of providing electric service (*e.g.*, transmission and distribution delivery costs) that, in the instant case, Dominion seeks to characterize as costs of "administering the program." Specifically, in addition to "costs of administering the program," Code § 56-594.3 also allows the Commission to require subscribing customers to pay "a fair share of the costs of providing electric services" and to "minimize the costs shifted to customers not in a shared solar program."<sup>16</sup> Code § 56-585.1:12 simply does not contain an analogous provision.

<sup>10</sup> Numerous public comments were also received by the Commission in this matter.

<sup>11</sup> See, *e.g.*, Report at 40-42.

<sup>12</sup> Webster's Third New International Dictionary 27 (2002).

<sup>13</sup> Code § 56-585.1:12 A.

<sup>14</sup> Code § 56-594.3 A.

<sup>15</sup> Code §§ 56-585.1:12 E 7 and 56-594.3 F 9.

<sup>16</sup> Code § 56-594.3 D.

The Commission must presume that this difference was intentional.<sup>17</sup> Indeed, in implementing Code § 56-594.3, the Commission required subscribing customers to pay a fair share of the system infrastructure costs of providing electric service.<sup>18</sup> The Commission, however, did *not* include these costs of providing electric service as "costs of administering the program." Rather, the Commission required subscribing customers thereunder to pay for these costs based on the express – and separately delineated – authority in that statute "to ensure subscribing customers pay a fair share of the costs of providing electric services."<sup>19</sup> Again, Code § 56-585.1:12 does not include any such similar authority.<sup>20</sup>

Accordingly, the Commission finds that the "reasonable costs of administering the program" under Code § 56-585.1:12 E 7 do not include the electric system infrastructure charges sought by Dominion for inclusion therein.

#### Reasonable Costs of Administering the Program

##### *Schedule MFSS*

Dominion will incur program billing costs that arise as a result of the Program. For example, the Company will need to interface with subscriber organizations for purposes of coordinating subscribing customers, data transfer, and bill credit determination, as well as preparing separate customer bills specifically for subscribing customers.<sup>21</sup> Dominion currently will have to perform these administrative tasks on a manual basis, and in consultation with its billing department estimates that these monthly administrative tasks will take fifteen (15) minutes for each subscribing customer.<sup>22</sup> In addition, because Dominion does not expect the time required for these tasks to be dependent upon subscription size, the Company proposes a flat fee for this purpose.<sup>23</sup> As a result, based on the Company's hourly rate for business performance analysts – *i.e.*, the employees currently performing billing functions and that would perform this administrative function, as well – the monthly Program Billing Charge would be \$13.40.

The Commission finds that a \$13.40 Program Billing Charge for Schedule MFSS is reasonable based on the evidence provided by the Company. We likewise find that it is reasonable for Dominion *not* to have an automated billing system in place for the Program at this time. Because this statutory Program is new and yet to be implemented, the specific data configuration and computer information platform necessary has yet to be developed. Moreover, Dominion is currently developing a new company-wide customer information platform ("CIP"), which is expected to be in-service by mid-2023, and will investigate including the Program as part thereof.<sup>24</sup> Accordingly, Dominion shall report on the status of this process in its next MFSS Program-related update and propose any changes (or establish why no changes should be made) to the Program Billing Charge.<sup>25</sup>

In addition, MFSS Program customers cannot bypass statutorily non-bypassable charges without a concomitant statutory exemption. Thus, as recommended by the Hearing Examiner, the Commission also finds that the Company must bill subscribing customers for Non-Bypassable Charges (calculated by multiplying the subscribing customer's monthly usage by appropriate Non-Bypassable Charges) as set forth in Staff Alternative A.<sup>26</sup>

##### *Schedule SO-MSS*

Dominion also proposes a subscriber organization Administrative Charge to be included in Schedule SO-MSS, which is a companion schedule established under any non-residential, non-lighting rate schedule (*e.g.*, Schedule GS-1, Schedule GS-2, Schedule GS-3, Schedule GS-4). This Administrative Charge includes a one-time set-up charge and monthly charges related to meter reading and processing and program administration. The Commission adopts the reasoning, findings, and recommendations set forth in the Report and approves the subscriber organization Administrative Charge as recommended by the Hearing Examiner.<sup>27</sup>

<sup>17</sup> *Zinone v. Lee's Crossing Homeowners Ass'n*, 282 Va. 330, 337 (2011) ("Moreover, when the General Assembly has used specific language in one instance, but omits that language or uses different language when addressing a similar subject elsewhere in the Code, we must presume that the difference in the choice of language was intentional.") (citations omitted).

<sup>18</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing regulations for a shared solar program pursuant to § 56-594.3 of the Code of Virginia*, Case No. PUR-2020-00125, Final Order (July 7, 2022).

<sup>19</sup> *Id.* at 5-6.

<sup>20</sup> In addition, we conclude that the statutory construction herein does not conflict with the Commission's adoption of the MFSS Rules. Moreover, to the extent any particular rule is deemed otherwise, we note that a Commission rule obviously cannot re-write or supersede a statute.

<sup>21</sup> *See, e.g.*, Ex. 4 (Trexler Direct) at 10-11.

<sup>22</sup> *See, e.g., id.* at 11, Schedule 4; Tr. 171-173.

<sup>23</sup> *See, e.g., id.* at 11.

<sup>24</sup> *See, e.g., id.*; Tr. 197.

<sup>25</sup> In addition, because it was raised in Appalachian Voices' comments on the Report, the Commission confirms it has found that Dominion met its burden to establish that the Program Billing Charge approved herein is reasonable, and that such burden has not been shifted to the respondents for this purpose. *See, e.g.*, Appalachian Voices' Comments at 7.

<sup>26</sup> *See, e.g.*, Report at 58. As also recommended by the Hearing Examiner, the Commission finds that low-income customers should retain any applicable exemptions from non-bypassable charges and directs Dominion to make necessary adjustments to reflect that exemption. *See, e.g., id.*; Tr. 192.

<sup>27</sup> *See, e.g.*, Report at 56-57.

Compliance Filing

The Company forthwith shall file revised tariffs, terms and conditions of service and supporting workpapers with the Clerk of the Commission and submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

Accordingly, IT IS SO ORDERED, and this matter is DISMISSED.

**CASE NO. PUR-2020-00124  
NOVEMBER 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of establishing regulations for a multi-family shared solar program pursuant to § 56-585.1:12 of the Code of Virginia

**ORDER GRANTING RECONSIDERATION**

On October 13, 2022, the State Corporation Commission ("Commission") issued a Final Order in this docket. On November 2, 2022, Virginia Electric and Power Company filed a Petition for Limited Clarification or Reconsideration.

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter. The Final Order is hereby suspended pending the Commission's reconsideration of the Final Order.

Accordingly, IT IS ORDERED THAT:

- (1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter.
- (2) Pending the Commission's reconsideration, the Final Order is hereby suspended.
- (3) This matter is continued generally.

**CASE NO. PUR-2020-00124  
NOVEMBER 17, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of establishing regulations for a multi-family shared solar program pursuant to § 56-585.1:12 of the Code of Virginia

**ORDER ESTABLISHING BILL CREDIT RATE**

On December 23, 2020, the State Corporation Commission ("Commission") issued its Order Adopting Rules in this docket to govern multi-family shared solar programs to be offered by Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") and Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU-ODP"). Among other things, the Order Adopting Rules provided that, pursuant to § 56-585.1:12 D of the Code of Virginia ("Code") the Commission would by separate order calculate and publish the applicable bill credit rate for multi-family shared solar customers.<sup>1</sup>

On June 29, 2021, the Commission entered an order setting the initial bill credit rate for the multifamily shared solar program to 11.765 cents per kilowatt-hour ("¢/kWh") for Dominion and 11.328 ¢/kWh for KU-ODP.

NOW THE COMMISSION, upon consideration of this matter, finds that the bill credit rate should be reset to 11.446 ¢/kWh for Dominion and 12.463 ¢/kWh for KU-ODP.<sup>2</sup> This bill credit rate shall be effective from the date of this order through June 30, 2023.

Accordingly, IT IS SO ORDERED, and this case is continued.

<sup>1</sup> Order Adopting Rules at 9.

<sup>2</sup> Dominion's most recent FERC Form 1 for Virginia customers reports residential sales of 29,391,561,000 kWh and residential revenues of \$3,364,051,957. KU-ODP's FERC Form 1 for Virginia customers reports residential sales of 339,892,000 kWh and residential revenues of \$42,360,226.

**CASE NO. PUR-2020-00124  
NOVEMBER 17, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of establishing regulations for a multi-family shared solar program pursuant to § 56-585.1:12 of the Code of Virginia

**ORDER ON RECONSIDERATION**

On October 13, 2022, the State Corporation Commission ("Commission") issued a Final Order in this docket. On November 2, 2022, Virginia Electric and Power Company filed a Petition for Limited Clarification or Reconsideration. In its Petition, the Company sought clarification regarding the bill credit rate applicable to its forthcoming compliance filing, as the existing bill credit rate was established on June 29, 2021, and the Commission's rules promulgated in this docket state that the bill credit rate would be established annually.

NOW THE COMMISSION, upon consideration hereof, finds that clarification of the Final Order in this proceeding is appropriate. Concurrent with this order, the Commission is issuing an order resetting the bill credit rate, effective through June 30, 2023. The Company is directed to use the new bill credit rate in its compliance filing in this proceeding.

Accordingly, IT IS SO ORDERED, the Final Order is no longer suspended, and this case is continued.

**CASE NO. PUR-2020-00125  
JULY 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of establishing regulations for a shared solar program pursuant to § 56-594.3 of the Code of Virginia

**FINAL ORDER**

During its 2020 Session, the Virginia General Assembly enacted Chapters 1238 (HB 1634) and 1264 (SB 629) of the 2020 Virginia Acts of Assembly. These Acts of Assembly amend the Code of Virginia ("Code") by adding a section numbered 56-594.3, effective July 1, 2020. Code § 56-594.3 requires that by January 1, 2021, the State Corporation Commission ("Commission") establish by regulation a program affording customers of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") the opportunity to participate in a shared solar program ("Shared Solar Program" or "Program").<sup>1</sup> Pursuant to Code § 56-594.3 E, the Commission must approve a Shared Solar Program of 150 megawatts with a minimum requirement of 30 percent low-income customers as defined in Code § 56-594.3 A. Also under the Program, each subscriber will pay a minimum bill to Dominion and receive a bill credit based on the subscriber's customer class.<sup>2</sup> The Commission must establish the minimum bill, which may be modified over time, and must set the bill credit rate annually.<sup>3</sup> Dominion must file any tariffs, agreements, or forms necessary to implement the Program within 60 days of its full implementation of a new customer information platform or by July 1, 2023, whichever occurs first.<sup>4</sup>

On December 23, 2020, the Commission issued its Order Adopting Rules in this docket, in which the Commission adopted the Rules Governing Shared Solar Program, 20 VAC 5-340-10 *et seq.* ("Rules").<sup>5</sup> The Order Adopting Rules required Dominion to file a minimum bill proposal ("Proposal") in this docket.<sup>6</sup> Further, the Order Adopting Rules noted that, pursuant to 20 VAC 5-340-80, the Commission would convene a proceeding to consider any monthly administrative charge and the components of the minimum bill to be applied by Dominion pursuant to the Rules.<sup>7</sup>

Dominion filed its Proposal on March 1, 2021, as directed. On March 18, 2021, the Commission issued an Order directing Dominion to file supplemental information on this Proposal and address various items specified by the Order. On April 1, 2021, Dominion filed supplemental information on its Proposal. On April 14, 2021, the Commission issued an Order for Notice and Comment, which provided interested persons the opportunity to file comments or request a hearing on Dominion's Proposal.

<sup>1</sup> Under this Program, Dominion will provide a bill credit for the proportional output of a shared solar facility attributable to a utility customer that is a subscriber to a shared solar facility. *See* Code § 56-594.3 B.

<sup>2</sup> Code § 56-594.3 C.

<sup>3</sup> Code § 56-594.3 C and D.

<sup>4</sup> Code § 56-594.3 F.

<sup>5</sup> On December 30, 2020, the Commission issued a Correcting Order to correct a scribal error on page 13 of Attachment A to the Order Adopting Rules.

<sup>6</sup> *Id.* at 12, Ordering Paragraph (7).

<sup>7</sup> *See id.* at 3, n.2.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Pursuant to the Order for Notice and Comment, the Coalition for Community Solar Access ("CCSA") together with the Chesapeake Solar & Storage Association ("CHESSA"); the Virginia Department of Mines, Minerals and Energy ("DMME");<sup>8</sup> Senator Scott A. Surovell and Delegate Jay Jones ("Legislator Commenters"); and Mr. Jay Epstein filed comments. In addition to their comments, CCSA and CHESSA together with other entities,<sup>9</sup> DMME, and the Legislator Commenters requested an evidentiary hearing. The Staff filed a reply to the Proposal on May 14, 2021, and on May 21, 2021, Dominion filed a reply in which it supported the requests for an evidentiary hearing on the Proposal.

On July 23, 2021, the Commission issued an Order for Notice and Hearing that assigned this case to a Hearing Examiner to conduct further proceedings, including a hearing, to: (1) establish a minimum bill for Dominion; and (2) consider the methodology to be used to establish the bill credit rate, and the resulting bill credit for each customer class produced by this methodology, for the Shared Solar Program. The Order for Notice and Hearing directed Dominion to file testimony in support of its Proposal on these two issues.

CCSA, Appalachian Voices, and Culpeper County filed notices of participation. On November 18, 2021, the evidentiary hearing was convened, as scheduled. Dominion, CCSA, Appalachian Voices and Staff participated in the hearing. On January 13, 2022, Dominion, CCSA, Appalachian Voices, and Staff filed their post-hearing briefs.

On February 16, 2022, Hearing Examiner D. Mathias Roussy, Jr. filed his Report ("Report"). The Hearing Examiner made the following recommendations:

- (1) Approve Dominion's proposed bill credit rate for the Shared Solar Program, which would result in an initial bill credit rate of 11.765¢/kWh for residential customers, 7.120¢/kWh for commercial customers, and 5.901¢/kWh for industrial customers;
- (2) Approve Staff Alternative B as the minimum bill for the Shared Solar Program, which results in a minimum bill of \$55.10 for a residential customer with 1,000 kWh of usage and a 1,000 kWh shared solar subscription; and
- (3) Approve the use of Dominion's fuel factor for the recovery of Shared Solar Program costs associated with low-income customers, if the Commission decides to provide guidance on cost recovery in this case.<sup>10</sup>

Dominion, CCSA and Appalachian Voices filed responses to the Hearing Examiner's Report. Staff filed a letter indicating that it did not oppose the findings and recommendations in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

As an initial matter, the Commission adopts the Hearing Examiner's finding that the fuel factor is a reasonable mechanism for the recovery of Shared Solar Program costs associated with low-income customers.<sup>11</sup>

The Commission also adopts the bill credit rates recommended by the Hearing Examiner.<sup>12</sup> As required by statute, "[e]ach [customer] class's applicable [bill] credit rate shall be calculated by the Commission annually by dividing revenues to the class by sales, measured in kilowatt-hours, to that class to yield a bill credit rate for the class (\$/kWh)."<sup>13</sup> Because the volumetric bill credit rates reflect generation, transmission, and distribution revenues, such credit "will approach the retail rates that customers pay."<sup>14</sup> In this manner, the statute results in a bill credit that generally offsets the full costs typically included in the customer's bill.<sup>15</sup>

As to the minimum bill, the Commission finds that such shall reflect both fixed and volumetric costs. The fixed costs shall include the Customer Charge and the Administrative Charge. The volumetric costs shall include: (1) Statutorily Non-Bypassable Generation Charges; (2) Base Distribution Charges; (3) Distribution RAC Charges; (4) Base Transmission Charges; and (5) Transmission RAC Charges.<sup>16</sup> The Commission, having considered the record and the Commission's promulgated rules for implementing this statute, finds that these costs fall within the authority delegated to the Commission in Code § 56-594.3. For example, the above costs fall within those that "the Commission deems relevant to ensure subscribing customers pay a fair share of the costs of providing electric services."<sup>17</sup>

<sup>8</sup> DMME is now the Virginia Department of Energy.

<sup>9</sup> This Joint Hearing Request was filed by CCSA, CHESSA, Vote Solar, GRID Alternatives Mid-Atlantic, Local Energy Alliance Program, Virginia Poverty Law Center, Solar United Neighbors, Southern Environmental Law Center, Appalachian Voices, Sierra Club, and Virginia Advanced Energy Economy.

<sup>10</sup> Report at 61.

<sup>11</sup> See, e.g., Report at 59.

<sup>12</sup> See, e.g., *id.* at 30-33, 61.

<sup>13</sup> Code § 56-594.3 C.

<sup>14</sup> Report at 33.

<sup>15</sup> For example, if a customer subscribes to 1,000 kWh of shared solar per month, and then consumes 1,000 kWh in a month, the bill credit will be approximately the same as the customer's normal total bill amount. See, e.g., Ex. 9.

<sup>16</sup> See, e.g., Report at 24 (for table listing charge types and amounts).

<sup>17</sup> Code § 56-594.3 D. In addition, the Commission approves the costs above for the minimum bill after having also considered the other requirements in Code § 56-594.3, including but not limited to "[r]easonably allow[ing] for the creation of shared solar facilities." Code § 56-594.3 F. The Commission finds that these other requirements do not prohibit the inclusion of costs that fall within the specific minimum bill authority in Code § 56-594.3 D.

Next, the Commission adopts the Hearing Examiner's finding that the structure of Dominion's minimum bill proposal satisfies the requirements of Code § 56-594.3. As explained by the Hearing Examiner, this structure does not result in double recovery and, as required by statute, results in "an amount determined by the Commission under [Code § 56-594.3 D] that subscribers are required to, at a minimum, pay on their utility bill each month after accounting for any bill credits."<sup>18</sup> We also agree with the Hearing Examiner that this is "potentially confusing because of Dominion's terminology"<sup>19</sup> and, thus, warrants further explanation.

Specifically, the Commission has found that the amount a subscriber shall be required to pay Dominion is calculated as follows: [total bill] - [total bill credit for the amount of the kWh shared solar subscription] + [costs identified in the above paragraph (*i.e.*, Customer and Administrative Charges, and the volumetric transmission and distribution costs for the amount of the kWh shared solar subscription)]. This calculation results in a minimum bill that reasonably *excludes* the utility's generation costs for the amount of the kWh shared solar subscription. In this manner, the Commission has established, pursuant to its delegated discretion under this statute, a minimum bill that reasonably includes costs the Commission deems relevant to ensure subscribing customers pay a fair share of the generation, transmission, distribution, and fixed costs of providing electric service.<sup>20</sup>

Finally, the Commission makes the additional legal findings necessary for implementation of the instant order, including: (1) low income customers are statutorily exempt from the entire minimum bill; (2) Shared Solar Program Customers cannot bypass statutorily non-bypassable charges without a concomitant statutory exemption; (3) the plain language of Code § 56-594.3 D is not limited to incremental costs (*i.e.*, it may include an existing cost if the Commission finds that such satisfies a provision of the statute);<sup>21</sup> and (4) the statute does not require the minimum bill to be a fixed amount regardless of a customer's usage or subscription amounts.<sup>22</sup>

The Company forthwith shall file revised tariffs, terms and conditions of service and supporting workpapers with the Clerk of the Commission and submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

Accordingly, IT IS ORDERED and this matter is DISMISSED.

<sup>18</sup> Code § 56-594.3 A. *See, e.g.*, Report at 39-41, 42-43.

<sup>19</sup> Report at 43.

<sup>20</sup> As required by statute, this also effectuates the statutory requirement that "[a]ny amount of the bill credit that exceeds the subscriber's monthly bill, minus the minimum bill, shall be carried over and applied to the next month's bill." Code § 56-594.3 B 1. That is, if the customer's shared solar kWh subscription is greater than the customer's actual usage such that the bill credit exceeds the fair share of costs the Commission has determined such customer must pay, then the excess is carried over as a credit to the next month's bill. *See, e.g.*, Ex. 9.

<sup>21</sup> Moreover, to the extent parties to this case have argued that Code § 56-594.3 D has been limited to incremental costs by the Commission's rules (a position that the Commission does not adopt), we note that a Commission rule obviously cannot re-write or supersede a statute.

<sup>22</sup> *See, e.g.*, Report at 39, 38-39, 43-46, and 41-42, respectively.

**CASE NO. PUR-2020-00125  
JULY 27, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte*: In the matter of establishing regulations for a shared solar program pursuant to § 56-594.3 of the Code of Virginia

**ORDER GRANTING RECONSIDERATION**

On July 7, 2022, the State Corporation Commission ("Commission") issued a Final Order in this docket. On July 26, 2022, the Coalition for Community Solar Access and Appalachian Voices filed a Joint Petition for Reconsideration and Clarification.

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter. The Final Order is hereby suspended pending the Commission's reconsideration of the Final Order.

Accordingly, IT IS ORDERED THAT:

- (1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter.
- (2) Pending the Commission's reconsideration, the Final Order is hereby suspended.
- (3) This matter is continued generally.

**CASE NO. PUR-2020-00125  
OCTOBER 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of establishing regulations for a shared solar program pursuant to § 56-594.3 of the Code of Virginia

**ORDER ON RECONSIDERATION**

On July 7, 2022, the State Corporation Commission ("Commission") issued a Final Order in this docket. On July 26, 2022, the Coalition for Community Solar Access and Appalachian Voices ("Joint Petitioners") filed a Joint Petition for Reconsideration and Clarification ("Petition for Reconsideration"). On July 27, 2022, the Commission issued an Order Granting Reconsideration, which granted reconsideration for the purpose of continuing jurisdiction over this matter and suspended the Final Order pending the Commission's reconsideration thereof.

On August 8, 2022, the Commission issued an Order for Additional Pleadings. On August 26, 2022, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") filed a response. On September 9, 2022, Joint Petitioners filed a reply.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Shared Solar Program

This case implements Code § 56-594.3, which requires the Commission to establish a program affording customers of Dominion the opportunity to participate in a shared solar program ("Shared Solar Program").<sup>1</sup> The Shared Solar Program allows a retail customer of Dominion to subscribe to a portion of the kilowatt-hour ("kWh") electricity production of a solar facility that does not directly serve that customer.<sup>2</sup>

Petition for Reconsideration

Joint Petitioners "respectfully request the Commission enter an order that:

- [1] Reconsiders Staff Alternative Option B for the minimum bill and instead approves CCSA's minimum bill proposal or Staff Alternative Option A;
- [2] Directs Dominion to ensure that customer bills include line items for each of the three billing components (total bill, total bill credit, and minimum bill), so that customers will see how their shared solar bill credits and the minimum bill are applied on their bill;
- [3] Clarifies that low-income customers are statutorily exempt from the entire minimum bill, including charges that would otherwise be non-bypassable;
- [4] Clarifies that the minimum bill structure applies to commercial and industrial customers;
- [5] Clarifies that there are no demand-based charges in the minimum bill costs for commercial and industrial customers; and
- [6] Approves the recommendations and proposals included in the September 2021 Staff Update and Shared Solar Working Group Report."<sup>3</sup>

[1] *Minimum Bill*

As to the minimum bill, Code § 56-594.3 D directs as follows (emphases added):

D. The Commission shall establish a minimum bill, which shall include the costs of all utility infrastructure and services used to provide electric service and administrative costs of the shared solar program. The Commission may modify the minimum bill over time. *In establishing the minimum bill, the Commission shall (i) consider further costs the Commission deems relevant to ensure subscribing customers pay a fair share of the costs of providing electric services and (ii) minimize the costs shifted to customers not in a shared solar program.* Low-income customers shall be exempt from the minimum bill.

Joint Petitioners assert that the minimum bill established in the Final Order must be reconsidered because "[t]he Commission's determination on the minimum bill is not supported by the evidence."<sup>4</sup> Joint Petitioners state that "[a]lthough Dominion and [Commission] Staff raise the specter of *cost shifts*, neither party conducted any studies or presented any evidence to identify or quantify such alleged *cost shifting* under the Shared Solar Program,"<sup>5</sup> and that "[t]here is simply no record evidence to quantify the *cost shift* alleged by Dominion, which Commission Staff accepted as true without any

<sup>1</sup> See, e.g., Final Order at 1.

<sup>2</sup> See, e.g., Code § 56-594.3 B 1.

<sup>3</sup> Petition for Reconsideration at 8-9.

<sup>4</sup> *Id.* at 1.

<sup>5</sup> *Id.* (citations omitted) (emphases added).

accompanying analysis."<sup>6</sup> Based on this allegation, Joint Petitioners further claim that the Commission violated the "requirement [in 20 VAC 5-340-80(A)(2)] that any costs included in the minimum bill 'be just and reasonable based on evidence provided by the parties to the evidentiary hearing process.'"<sup>7</sup>

Contrary to Joint Petitioners' characterization, and as reflected in the Final Order, the Commission did not rely on *any* alleged cost shifts in establishing the minimum bill. Rather, the components of the minimum bill resulted from the Commission's express implementation of the directive in Code § 56-594.3 D (i) to "consider further costs the Commission deems relevant to ensure subscribing customers pay a fair share of the costs of providing electric services."<sup>8</sup>

Specifically, Dominion still incurs costs to deliver electric service to a shared solar customer for the amount of that customer's shared solar subscription.<sup>9</sup> Thus, to ensure a subscribing customer pays a fair share of the costs of providing electric service, the Commission deemed relevant – and included for purposes of the minimum bill – the specific customer, distribution, and transmission costs currently built into rates to serve that retail customer.<sup>10</sup> Furthermore, in this manner the Commission has also ensured that a shared solar customer does *not* pay Dominion for *generation* for which the customer has paid the shared solar facility.<sup>11</sup>

Joint Petitioners also assert that the minimum bill "would prevent creation of a workable Shared Solar Program that is available for all customer classes, which violates [Code § 56-594.3 F(1)-(2)]."<sup>12</sup> In this regard, Code § 56-594.3 F states as follows (emphases added):

The Commission shall establish by regulation a shared solar program that complies with the provisions of subsections B, C, D, and E by January 1, 2021, and shall require each utility to file any tariffs, agreements, or forms necessary for implementation of the program within 60 days of the utility's full implementation of a new customer information platform or by July 1, 2023, whichever occurs first. *Any rule or utility implementation filings approved by the Commission shall:*

1. Reasonably allow for the creation of shared solar facilities;
2. Allow all customer classes to participate in the program; ....

The Commission expressly considered this statutory provision, as well, and concluded that it does not prevent the Commission from exercising its delegated discretion under the requirements of Code § 56-594.3 D.<sup>13</sup> The Commission continues to find that establishing a minimum bill herein in compliance with the directives of Code § 56-594.3 D has "reasonably" allowed for the creation of shared solar facilities. Joint Petitioners assert that the minimum bill approved by the Commission will make the creation of shared solar facilities much more difficult compared to their proposed minimum bill (or Staff Alternative A). The Commission concludes, however, that those difficulties – which if they occur would stem from ensuring that shared solar customers pay a fair share of the costs of providing electric service – are not unreasonable.<sup>14</sup>

Accordingly, the Commission has herein applied Code §§ 56-594.3 D and F in a manner that gives effect to each statutory provision. If, however, it is deemed that the minimum bill determined pursuant to the directives of Code § 56-594.3 D does not, as a factual matter, "[r]easonably allow for the creation of shared solar facilities" or "[a]llow all customer classes to participate in the program" under Code § 56-594.3 F,<sup>15</sup> the Commission concludes – as a legal matter – that Code § 56-594.3 D is controlling in determining the minimum bill. This is because while Code § 56-594.3 F speaks generally to "[a]ny rule or utility implementation filings," Code § 56-594.3 D speaks specifically to "establishing the minimum bill."<sup>16</sup>

<sup>6</sup> Joint Petitioners' Reply at 3 (emphases added).

<sup>7</sup> *Id.* at 2 (emphasis in original).

<sup>8</sup> In addition, no party asserts that the minimum bill components required herein under Code § 56-594.3 D (i) fail to minimize costs shifted under Code § 56-594.3 D (ii).

<sup>9</sup> *See, e.g.*, Report at 53 ("There is no doubt that Shared Solar Program customers will continue to rely extensively on the infrastructure and services that Dominion currently uses to serve them."); Ex. 2 (Trexler Direct) at 8, 10 ("Participants will still rely on utility services that carry considerable costs that all utility customers are required to pay." ... "The Delivery Charges component captures the costs of utilizing Company transmission and distribution infrastructure to deliver electricity to customers.").

<sup>10</sup> *See, e.g.*, Final Order at 5-6.

<sup>11</sup> *See, e.g., id.* at 6.

<sup>12</sup> Petition for Reconsideration at 2.

<sup>13</sup> *See, e.g.*, Final Order at 5 n.17.

<sup>14</sup> Similarly, the Commission continues to find that the minimum bill allows all customer classes to participate in the Shared Solar Program. Code § 56-594.3 F(2).

<sup>15</sup> Such as on the Supreme Court of Virginia's review of the Commission's decision.

<sup>16</sup> *See, e.g., Conger v. Barrett*, 280 Va. 627, 631 (2010) ("[W]hen two statutes do conflict, and one statute speaks to a subject generally and another deals with an element of that subject specifically, the more specific statute is controlling.") (internal quotation marks and citation omitted).

Finally, as explained in the Final Order, the monthly amount a subscriber pays to Dominion is calculated as follows: [(1) total bill] – [(2) total bill credit for the amount of the kWh shared solar subscription] + [(3) customer and administrative Charges, and the volumetric transmission and distribution costs for the amount of the kWh shared solar subscription)].<sup>17</sup> Joint Petitioners oppose recognizing the amount of the shared solar subscription in this manner.<sup>18</sup> The Commission, however, continues to find that this calculation is necessary to ensure that the amount ultimately paid by the subscribing customer to Dominion reasonably reflects a fair share of the costs of providing electric services.

This is textually illustrated by further explaining each of the three components in the above equation. First, the total bill reflects all of Dominion's tariff charges (*e.g.*, for generation, transmission, and distribution) applied to the customer's actual usage. Second, the total bill credit (*i.e.*, the amount that is deducted from the customer's bill) is statutorily designed to offset the *full* costs typically included in the customer's bill (*i.e.*, those same tariff charges for generation, transmission, and distribution) applied to the amount of the customer's *shared solar subscription*.<sup>19</sup> Because the full offset in the second factor is applied to the subscription amount, the third factor in the equation must likewise be applied to the amount of the customer's shared solar subscription. As numerically illustrated below, this is necessary in order for the algebra to be accurate; that is, in order to result in the subscribing customer paying for (i) the amount of generation provided to that customer by Dominion, and (ii) the transmission and distribution costs for the actual amount of electricity delivered to that customer.

This can be further explained with a numeric example. Simplified for purposes of illustration, this example assumes: (a) the customer's shared solar subscription is 1,000 kWh; (b) Dominion's total tariff charges are 10¢/kWh; and (c) the 10¢/kWh is comprised of 6¢ for generation and 4¢ for transmission and distribution. If the customer's actual usage is 1,200 kWh, the amount the subscriber pays to Dominion is calculated as follows: [(1) 1,200 x 10¢, or \$120] – [(2) 1,000 x 10¢, or \$100] + [(3) 1,000 x 4¢, or \$40] = \$60. In this way, the customer has only paid for the \$60 of services actually provided by Dominion; that is, the customer has paid for 200 kWh of generation (200 x 6¢, or \$12), plus 1,200 kWh of transmission and distribution (1,200 x 4¢ = \$48), for a total of \$60.<sup>20</sup> As a result, and contrary to Joint Petitioners' allegation, using the subscription amount in this manner ultimately results in the subscribing customer paying transmission and distribution costs for the *actual* amount of electricity delivered to that customer by Dominion.

#### [2] *Customer Bill Line Items*

The Commission continues to find – especially in light of the particularly complex nature of Code § 56-594.3 (*see, e.g.*, discussion above) – that total bill, total bill credit, and minimum bill calculations need not be reflected as separate line items on subscribers' bills.

#### [3] *Low-Income Customers*

The Petition for Reconsideration asks the Commission to clarify "that low-income customers are statutorily exempt from the entire minimum bill, including charges that would otherwise be non-bypassable."<sup>21</sup> In this regard, the Commission notes that Code § 56-585.5 F addresses non-bypassable charges. As noted above, however, Code § 56-594.3 D speaks specifically to the minimum bill for purposes of the Shared Solar Program. For purposes of low-income customers, the final sentence in Code § 56-594.3 D directs as follows: "Low-income customers shall be exempt from the minimum bill."

Because Code § 56-594.3 D speaks *specifically* to exempting low-income customers from the minimum bill, the Final Order likewise directed that "low-income customers are statutorily exempt from the *entire* minimum bill."<sup>22</sup> In other words, because low-income customers are statutorily exempt from the minimum bill, such subscribing customers necessarily will not pay *any* charges included in that bill, including any non-bypassable charges.

#### [4] [5] *Commercial and Industrial Customers*

As directed by Code § 56-594.3 F(2), all customer classes are allowed to participate in the Shared Solar Program; this necessarily includes commercial and industrial customer classes. As ordered by the Commission (and discussed above), the subscribing customer's minimum bill includes volumetric charges that reflect the distribution and transmission costs currently built into the applicable tariff rates for purposes of serving that retail customer;<sup>23</sup> this, likewise, necessarily includes commercial and industrial customers.

The Final Order, like the Hearing Examiner's Report ("Report"), used the residential class to illustrate the volumetric distribution and transmission components of the minimum bill.<sup>24</sup> For the residential class, the charges for these components in the applicable tariffs are already presented on a volumetric basis. For non-residential classes, however, certain charges for these components in the applicable tariffs are *not* volumetric. Accordingly, for purposes of the volumetric portion of the minimum bill, the non-volumetric components of the applicable tariff rates for non-residential classes must be converted to volumetric charges.<sup>25</sup>

<sup>17</sup> Final Order at 6.

<sup>18</sup> Petition for Reconsideration at 4-5.

<sup>19</sup> *See, e.g.*, Final Order at 4-5; Code § 56-594.3 C.

<sup>20</sup> Under this same illustration, if the customer's actual usage is *less than* the shared solar subscription, the amount ultimately paid to Dominion will still reflect the transmission and distribution costs for the actual kWh consumption due to the generation credit for the difference between the subscribed and actual generation usage.

<sup>21</sup> Petition for Reconsideration at 8.

<sup>22</sup> Final Order at 6 (emphasis added).

<sup>23</sup> *See, e.g., id.* at 5-6.

<sup>24</sup> *See, e.g., id.* at 5 n.16.

<sup>25</sup> *See, e.g.*, Dominion's Response at 12-13.

[6] *Shared Solar Working Group*

Rule 20 VAC 5-340-100 provides that "[t]he Commission shall initiate a stakeholder process including low-income community representatives and community solar providers to facilitate low-income customer and low-income service organization participation in the program." That process, after significant efforts and meetings on this matter among numerous interested stakeholders, resulted in the *Low Income Stakeholder Working Group Report on the Virginia Shared Solar and Multi-Family Shared Solar Programs (2020-2021)* ("*Working Group Report*").<sup>26</sup>

The Commission supports the "Recommendation(s)" presented in the *Working Group Report* for purposes of implementing shared solar at this time. At this nascent stage in the development of shared solar programs, however, the Commission will not adopt amendments regarding low-income participation to its promulgated shared solar rules. Rather, as implementation proceeds pursuant to the recommendations in the *Working Group Report*, the instant docket shall remain open to further address, as necessary, any additional delineation or other modifications attendant to low-income qualification and verification.

Accordingly, IT IS SO ORDERED, the Final Order is no longer suspended, and this matter is CONTINUED.

<sup>26</sup> See Staff Update (Sep. 30, 2021).

**CASE NO. PUR-2020-00197  
MARCH 7, 2022**

PETITION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of broadband capacity pilot projects pursuant to § 56-585.1:9 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider RBB, under § 56-585.1 A 6 of the Code of Virginia

**ORDER GRANTING MOTION**

On October 1, 2020, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:9 of the Code of Virginia ("Code") and Code § 56-585.1 A 6 for (i) approval of pilot programs to make available and provide broadband capacity to unserved areas in Surry County ("Surry Pilot"), Botetourt County ("Botetourt Pilot"), and the Northern Neck region of Virginia (collectively, the "Pilot Projects"); and (ii) establishment of a rate adjustment clause for the Surry Pilot and the Botetourt Pilot, designated Rider RBB, for the rate year commencing August 1, 2021, through July 31, 2022.<sup>1</sup>

On March 25, 2021, the Commission issued its Order Approving Broadband Pilot Projects, which among other things, approved the Pilot Projects for an initial period of six years.<sup>2</sup>

On June 9, 2021, the Commission issued its Final Order in this proceeding which, among other things, approved Rider RBB effective for usage on and after August 1, 2021, and ordered the Company to file an application to revise Rider RBB on or after September 2, 2021.<sup>3</sup>

On February 25, 2022, the Company filed a Motion of Virginia Electric and Power Company to Extend Currently Approved Rider RBB ("Motion"). In support of its Motion, the Company states that the promulgation of new rate case rules ("New Rate Case Rules") which became effective January 1, 2021, increased the amount and type of information required for a prudency determination.<sup>4</sup> The Company further states that it has taken additional time to gather and develop the information required by the New Rate Case Rules, but that it expects to have the necessary information by April 2022.<sup>5</sup> Dominion therefore desires to delay the filing of its revised Rider RBB until April 2022. To facilitate this delay, the Motion seeks to continue the currently approved rate of Rider RBB until November 30, 2022.<sup>6</sup> The Motion states that the anticipated effective date for the upcoming revision to Rider RBB will be December 1, 2022 (for a rate year of December 1, 2022 through November 30, 2023) or, consistent with the Company's request for billing purposes in other cases to implement riders, the first day of the month which is at least fifteen days following the date of any Commission order approving the riders.<sup>7</sup> The Company further states that any over- or under-recovery of costs during the extension of the 2021 Rate Year until November would be addressed through the deferral and true-up provision for Rider RBB.<sup>8</sup>

The Company represents that it contacted the Commission Staff ("Staff") and that Staff does not object to the relief sought in the Motion.<sup>9</sup>

<sup>1</sup> Ex. 3 (Petition) at 1.

<sup>2</sup> Order Approving Broadband Pilot Projects at 7.

<sup>3</sup> Final Order at 5.

<sup>4</sup> Motion at 2.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 3.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this case should be reopened for the limited purpose of considering the Motion; the Company's Motion should be granted; and this case should be dismissed.

Accordingly, IT IS ORDERED THAT:

- (1) This case is reopened for the limited purpose of considering the Motion.
- (2) The Company's Motion is hereby granted.
- (3) Rider RBB shall be effective at the level previously approved in this proceeding through November 30, 2022.
- (4) This case is dismissed.

**CASE NO. PUR-2021-00047  
JANUARY 28, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For revision of a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia with respect to the Dresden Generating Plant

**FINAL ORDER**

On June 1, 2021, Appalachian Power Company ("APCo" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), for approval to recover costs associated with APCo's Dresden Generating Plant through its generation rate adjustment clause ("G-RAC").<sup>1</sup> Specifically, APCo proposed an annual revenue requirement of \$28.5 million to be collected over the 18 months following implementation of the revised G-RAC.<sup>2</sup>

In support of its request, the Company stated that this total revenue requirement is composed of: (i) an actual under-recovery of \$1 million of the Company's G-RAC costs for the period ended March 31, 2021; (ii) the projected under-recovery of \$0.3 million for the period of April 1, 2021, through April 30, 2022; and (iii) the projected base annual revenue requirement of \$27.66 million for the period of May 1, 2022, through April 30, 2023.<sup>3</sup> The Company proposed to recover the revenue requirement in two separate factors: one to reflect the base annual revenue requirement of \$27.66 million and one to reflect the annualized under-recovery amount of \$0.87 million,<sup>4</sup> resulting in a total annual revenue requirement of \$28.5 million.<sup>5</sup> APCo requested approval to implement the proposed G-RAC on and after May 1, 2022, and to recover the requested revenue requirement over 18 months, consistent with its request in this Petition to file its next G-RAC Petition in 18 months.<sup>6</sup> The Company asserted that if approved, the proposed revenue requirement would result in a minimal increase of \$0.08 to the monthly bill of a residential customer using 1,000 kilowatt hours of electricity per month when compared to rates effective May 1, 2021.<sup>7</sup>

On June 28, 2021, the Commission issued an Order for Notice and Hearing that, among other things, scheduled a public hearing on the Petition; required APCo to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the proceeding; directed the Commission Staff ("Staff") to investigate the Petition and file testimony describing the results of that investigation; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

The Old Dominion Committee for Fair Utility Rates filed a Notice of Participation in this matter. No comments on the Petition were filed by any interested persons.

Pursuant to the Commission's Order for Notice and Hearing, Staff filed its testimony on October 5, 2021. On October 12, 2021, the Company filed a letter stating that it would not be filing rebuttal testimony.

On November 4, 2021, APCo filed supplemental testimony on the Petition revising the proposed revenue requirement. On November 10, 2021, Staff filed supplemental testimony in response to APCo's supplemental filing, in which Staff recommended a revised proposed revenue requirement of \$27,850,607.

On November 12, 2021, the Hearing Examiner, by ruling, cancelled the public witness component of the scheduled hearing on APCo's Petition after no one signed up to testify as a public witness. The evidentiary hearing was held on November 17, 2021. APCo and Staff participated in the hearing.

<sup>1</sup> Ex. 2 (Petition) at 1.

<sup>2</sup> *Id.* at 5.

<sup>3</sup> *Id.*

<sup>4</sup> This is the annualized amount of the actual under-recovery of \$1 million and the projected under-recovery of \$0.3 million.

<sup>5</sup> Ex. 2 (Petition) at 5.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

On November 22, 2021, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"), was filed. In his Report, the Hearing Examiner found that:

- (1) The projected G-RAC rate year revenue requirement, which is uncontested, is \$27,850,607;
- (2) APCo's request to consolidate its G-RAC true-up rates and G-RAC base rates into one set of combined tariff rates is reasonable; and
- (3) APCo's request for an 18-month filing interval is reasonable.<sup>8</sup>

The Hearing Examiner also recommended the Commission enter an order that:

- (1) Approves, for recovery through G-RAC rates during the rate year commencing May 1, 2022, an updated G-RAC total revenue requirement of \$27,850,607;
- (2) Approves the G-RAC tariff rate consolidation recommended [in the Report];
- (3) Approves APCo's request to file its next G-RAC petition no later than November 30, 2022;
- (4) Adopts the findings and recommendations of [the] Report; and
- (5) Dismisses this case from the Commission's docket of active cases.<sup>9</sup>

On December 7, 2021, APCo filed a letter stating that it would not file comments on the Report. On December 10, 2021, Staff filed comments in support of the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations in the Report should be adopted and that a rate year revenue requirement of \$27,850,607 should be approved.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) APCo's G-RAC is approved as set forth herein with a total rate year revenue requirement of \$27,850,607.
- (3) Pursuant to Code § 56-585.1 A 7, the Company may implement the G-RAC rate, as approved herein, for service rendered on and after 60 days from the date of this Final Order. Alternatively, as requested by the Company, APCo may implement the G-RAC, as approved herein, for service rendered on and after May 1, 2022.
- (4) The Company shall file its next G-RAC petition on or before November 30, 2022.
- (5) The Company forthwith shall file a revised consolidated G-RAC and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/case](http://scc.virginia.gov/case).
- (6) This case is dismissed.

<sup>8</sup> Report at 10.

<sup>9</sup> *Id.*

**CASE NO. PUR-2021-00049  
FEBRUARY 15, 2022**

APPLICATION OF  
APPALACHIAN POWER COMPANY

For approval and certification of the Reusens to New London 138 kV Rebuild Project under Title 56 of the Code of Virginia

**FINAL ORDER**

On April 30, 2021, pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*, Appalachian Power Company ("APCo" or "Company") filed an application and supporting documents with the State Corporation Commission ("Commission") for approval and certification to construct, own, operate, and maintain the Reusens to New London 138 kilovolt ("kV") Rebuild Project, to be located in Bedford and Campbell Counties, Virginia, and the City of Lynchburg, Virginia ("Application").



Specifically, APCo seeks approval to construct and operate: (a) an approximately 11.6-mile long rebuild of the Reusens-Altavista 138 kV transmission line between the Company's Reusens Substation and the New London Substation; (b) associated improvements at the Company's Brush Tavern Substation in Campbell County, Virginia; and (c) the removal of two structures and replacement with one structure on the Reusens-South Lynchburg 138 kV transmission line where it crosses the Reusens-Altavista 138 kV transmission line in order to co-locate the two transmission lines onto one new structure at the point of intersection (collectively, the "Project").<sup>1</sup>

According to the Application, the Project will rebuild 70-year-old infrastructure due to the infrastructure's inability to meet current National Electrical Safety Code standards and due to the infrastructure's inadequate lightning protection and age-related deterioration.<sup>2</sup> The Company further asserts that the Project would address the combination of risk, condition, and performance of the infrastructure in order to maintain reliability of the existing transmission network that serves customers in the region.<sup>3</sup>

According to the Application, all portions of the right-of-way ("ROW") for the Project are subject to existing easements. The Company further states that a small minority of the existing easement agreements contain some special provisions, such as those limiting the type of the structures permitted (e.g., wood versus steel), and the Company intends to address those situations through the acquisition of supplemental easements.<sup>4</sup>

APCo states that the desired in-service date is December 15, 2023, with an estimated construction time of 18 months.<sup>5</sup> The Company further states that the estimated total cost of the Project is approximately \$39.8 million with approximately \$38.1 million in transmission line-related costs and approximately \$1.7 million for substation-related costs.<sup>6</sup>

On May 28, 2021, the Commission issued an Order for Notice and Hearing ("Procedural Order"), which, among other things, docketed the proceeding; directed the Company to provide notice of its Application to the public; provided interested persons the opportunity to comment on the Application or to participate as a respondent in this proceeding; scheduled public hearings; and directed the Commission's Staff ("Staff") to investigate the Application and to file testimony containing Staff's findings and recommendations. No notices of participation were filed in this proceeding.

As also discussed in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review. On July 20, 2021, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Recommendations regarding the Project. According to the DEQ Report, the Company should:

- Conduct an on-site delineation of all wetlands and stream crossings within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable;
- Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage on its recommendations for minimizing impacts to the aquatic ecosystem, an invasive species inventory, restoration and maintenance practices, forest fragmentation reduction, and project updates;
- Coordinate with the Virginia Outdoors Foundation ("VOF") regarding its recommendations to coordinate on mitigation options, including alternative structure types and modifications to tower materials;
- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources;
- Coordinate with the Virginia Department of Health, as necessary, regarding its recommendations to protect water supplies;
- Follow the principles and practices of pollution prevention to the maximum extent practicable;
- Limit the use of pesticides and herbicides to the extent practicable;
- Coordinate with the Virginia Department of Transportation regarding its recommendations to minimize impacts to the transportation system; and
- Coordinate with the Virginia Department of Forestry regarding its recommendations to mitigate impacts if trees or forest vegetation need to be removed, converted or otherwise impacted.<sup>7</sup>

<sup>1</sup> Ex. 2 (Application) at 1.

<sup>2</sup> Ex. 2 (Application) at Response to Guidelines, p. 1.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 22.

<sup>5</sup> *Id.* at 10.

<sup>6</sup> *Id.* at 11.

<sup>7</sup> Ex. 12 (DEQ Report) at 6-7.

On September 17, 2021, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of APCo's Application. Staff concluded that APCo has reasonably demonstrated the need for the proposed Project.<sup>8</sup> Staff therefore did not oppose the issuance of the certificates of public convenience and necessity ("CPCN") requested in the Company's Application.<sup>9</sup>

On October 1, 2021, the Company filed its rebuttal testimony containing its response to certain recommendations in the DEQ Report. In its rebuttal testimony, APCo stated that it did not agree with the recommendation of the VOF attached to the DEQ Report that the Company reconsider its proposed structure types on lands where the project rebuild right-of-way will intersect with the three VOF open-space easements, including modifying the materials to mimic the wood color of the existing H-frame structures.<sup>10</sup>

Due to the ongoing public health issues related to the spread of COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on October 20, 2021. The Company and Staff participated at the hearing.

On November 8, 2021, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was issued. In the Report, the Hearing Examiner found:

- The proposed Project, a rebuild of APCo's electric transmission lines between its Reusens Substation and New London Substation and associated work, is needed to address aging infrastructure and maintain transmission system reliability;
- The Project would make extensive use of existing right-of-way;
- The Project - which will use dulled structures and non-specular conductors - would avoid or reasonably minimize adverse impact on the scenic assets, historic districts, and environment of the area concerned;
- The unopposed recommendations in the DEQ Report should be adopted by the Commission as conditions of approval;
- APCo should be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Project;
- The Project would support economic development; and
- Any adverse impacts from the Project would not be disproportionate on environmental justice communities.<sup>11</sup>

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report, authorizes the Company to construct and operate the Project, subject to the findings and conditions recommended in the Report, issues appropriate CPCNs for the Project, and dismisses this case from the Commission's docket of active cases.<sup>12</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct the Project. The Commission finds that CPCNs authorizing the Project should be issued subject to certain findings and conditions contained herein.

#### Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Code § 56-265.2 A 1 provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Code § 56-46.1 further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 67-101.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

<sup>8</sup> Ex. 11 (de León Direct) at Staff Report, p. 21.

<sup>9</sup> *Id.* at Staff Report, p. 22.

<sup>10</sup> Ex. 13 (McMillen Rebuttal) at 2-3.

<sup>11</sup> Report at 24.

<sup>12</sup> *Id.* No participant filed comments opposing the findings and recommendations set forth in the Report.

Code § 56-46.1 B further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Code § 56-46.1 C provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, Code § 56-259 C provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

APCo represents that the Project is necessary to replace aging infrastructure due to the infrastructure's inability to meet current National Electrical Safety Code standards and due to the infrastructure's inadequate lightning protection and age-related deterioration.<sup>13</sup> Based on information provided by the Company, Staff agreed with APCo that the Project is needed to ensure reliable service.<sup>14</sup> The Commission finds that the Company's proposed Project is needed to replace aging infrastructure, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.

#### Economic Development

The Commission has considered the effect of the Project on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Project will support continued reliable bulk electric power delivery, thereby supporting economic growth in the Commonwealth, including in Bedford County, Campbell County, and the City of Lynchburg, Virginia.<sup>15</sup>

#### Rights-of-Way and Routing

APCo has adequately considered usage of existing ROW. The Project, as proposed, would make extensive use of existing ROW, with a limited amount of additional ROW required.<sup>16</sup>

#### Impact on Scenic Assets and Historic Districts

As noted above, the Project would make extensive use of existing ROW already owned and maintained by APCo. The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Virginia Department of Historic Resources, and environment of the area concerned, as required by Code § 56-46.1 B, subject to the recommendations provided in the following section.

#### Environmental Impact

Pursuant to Code § 56-46.1 A and B, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Project. This finding is supported by the DEQ Report, as nothing therein suggests that the Project should not be constructed. The Commission finds that as a condition of approval herein, the Applicants must comply with DEQ's recommendations as provided in the DEQ Report with the following exception.

The Company does not agree with one recommendation found in the DEQ Report. Specifically, the Company disagrees with the recommendation of the VOF to consider alternative structure types for those structures located in proximity to the VOF easements.<sup>17</sup> We agree with the Hearing Examiner that monopoles with a dulled finish will more effectively minimize visual impacts for the single-circuit portion of the Project.<sup>18</sup>

<sup>13</sup> See Ex. 2 (Application) at Response to Guidelines, p. 1.

<sup>14</sup> Ex. 11 (de León Direct) at Staff Report, p. 21.

<sup>15</sup> See *id.* at Staff Report, p. 20.

<sup>16</sup> The limited amount of new ROW is to accommodate the consensual relocation of structure away from a golf course's greens and fairways and to reconfigure the Project's transition from double-circuit to single circuit, which will result in one less structure on a property with a VOF easement. See Report at 20.

<sup>17</sup> Ex. 13 (McMillen Rebuttal) at 2-3.

<sup>18</sup> Report at 23.

Environmental Justice

The Virginia Environmental Justice Act sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>19</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>20</sup>

APCo asserted that the Project will be constructed using existing ROW, which has been in place for more than 70 years and will not be relocated to other communities not already affected by the transmission line.<sup>21</sup>

We agree with the Hearing Examiner that any adverse impacts from the Project would not be disproportionate on environmental justice communities.<sup>22</sup>

Accordingly, IT IS ORDERED THAT:

- (1) APCo is authorized to construct and operate the Project as proposed in its Application, subject to the findings and conditions imposed herein.
- (2) Pursuant to Code §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCNs to construct and operate the Project is granted as provided for herein, subject to the requirements set forth herein.
- (3) Pursuant to the Utility Facilities Act, Code § 56-265.1 *et seq.*, the Commission issues the following CPCNs to APCo:

Certificate No. ET-APCO-BED-2022-A which authorizes Appalachian Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Bedford County, all as shown on the detailed map attached to the Certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00049; Certificate No. ET-APCO-BED-2022-A cancels Certificate No. ET-26j issued to Appalachian Power Company on December 19, 1994, in Case No. PUE-1994-00044.

Certificate No. ET-APCO-CAM-2022-A which authorizes Appalachian Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Campbell County and the City of Lynchburg, all as shown on the detailed map attached to the Certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00049; Certificate No. ET-APCO-CAM-2022-A cancels Certificate No. ET-APCO-CAM-2021-A issued to Appalachian Power Company on September 9, 2021, in Case No. PUR-2021-00001.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Project approved herein must be constructed and in service by December 15, 2023. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

<sup>19</sup> Code § 2.2-235.

<sup>20</sup> Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, Doc. Con. Cen. No. 210210007, Final Order at 14-15 (Feb. 1, 2021).

<sup>21</sup> Ex. 10 (Pardis Direct) at 5-6.

<sup>22</sup> Report at 23.

**CASE NO. PUR-2021-00054  
MARCH 11, 2022**

APPLICATION OF  
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For a general increase in electric rates

**FINAL ORDER**

On March 16, 2021, pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia ("Code"), ("SVEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a general increase in electric rates.<sup>1</sup>

SVEC requests a 2.43% increase in its overall jurisdictional sales revenue, which SVEC projects will generate an increase in total jurisdictional sales revenue of \$5.3 million.<sup>2</sup> The Cooperative represents that this increase will allow it to pay expenses, service debt, fund capital additions, and meet the financial goals established by SVEC's Board of Directors.<sup>3</sup> SVEC states that the proposed increase would produce total rate year<sup>4</sup> jurisdictional margins of \$13.4 million and a 2.35x jurisdictional Times Interest Earned Ratio ("TIER").<sup>5</sup>

On April 5, 2021, the Commission entered an Order for Notice and Hearing, which among other things, docketed the Application; established a procedural schedule; provided avenues for participation in the case; scheduled an evidentiary hearing; and appointed a Hearing Examiner to conduct all further proceedings in this matter.<sup>6</sup>

Notices of participation were filed by Solar United Neighbors of Virginia ("SUN-VA") and the Board of Supervisors of Frederick County, Virginia ("Frederick County"). Multiple comments on the Application also were received from individuals and organizations.

On July 28, 2021, SUN-VA filed the Direct Testimony of Karl R. Rábago. On September 1, 2021, the Commission's Staff ("Staff") filed the Direct Testimony of Madhu S. Mangalam, Edward R. Kaufman and Kelli B. Gravely. On September 15, 2021, SVEC filed its rebuttal testimony.

On September 23, 2021, SVEC filed a Motion *in Limine*, requesting that the Commission strike certain portions of SUN-VA Witness Karl R. Rábago's testimony and certain exhibits as hearsay ("Challenged Testimony").<sup>7</sup> On September 28, 2021, SVEC, Frederick County and Staff filed a Joint Motion to Approve Partial Stipulation ("Joint Motion") with an attached Partial Stipulation.<sup>8</sup>

On October 6, 2021, the Senior Hearing Examiner convened an evidentiary hearing, as scheduled, by virtual means with no party present in the Commission's courtroom. The Cooperative, SUN-VA, Frederick County, and Staff participated in the evidentiary hearing. Nine public witnesses testified at the hearing.

On December 2, 2021, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"), was filed. In her Report, the Senior Hearing Examiner first addressed and denied the Motion *in Limine*, finding that "the Challenged Testimony reaches the unique 'substantive probative effect' threshold for admission in the context of this legislative proceeding as contemplated by Rule 190 of the Rules of Practice."<sup>9</sup> The Senior Hearing Examiner also found that "the concerns raised by SVEC go to the overall weight that should be afforded to the Challenged Testimony and do not warrant its exclusion."<sup>10</sup>

<sup>1</sup> On July 29, 2021, the Senior Hearing Examiner approved SVEC's unopposed Motion for Leave to Amend Application, wherein the Cooperative represented that the Filing Schedule 5A contained an error regarding its Church Service Schedule (Schedule C-13) and sought leave to file corrected clean and redlined versions of the Church Service Schedule.

<sup>2</sup> Ex. 1 (Application) at 11, Sch. 15K. The proposed increase comprises a \$6,066,200 increase in distribution revenues, a \$609,189 decrease in base power supply revenues and a \$131,863 decrease in miscellaneous revenues. *Id.* at Sch. 3.

<sup>3</sup> *Id.* at 5.

<sup>4</sup> SVEC states that the rate year is calendar year 2022. *Id.*

<sup>5</sup> *Id.* The Cooperative clarifies that it is not requesting that the Commission set a TIER of 2.35x and adjust its proposed rates to that TIER. SVEC requests that the Commission approve the rates as proposed, provided that the resulting TIER is within a reasonable rate that would normally be recommended for electric distribution cooperatives in Virginia. *Id.* at 6.

<sup>6</sup> The Order for Notice and Hearing also allowed SVEC to implement its proposed rates for bills rendered on and after January 1, 2022, on an interim basis and subject to refund with interest. SVEC has not implemented its proposed rates as of the date of this Order.

<sup>7</sup> SVEC's Motion *in Limine* at 1. *See also, id.* at 3-4.

<sup>8</sup> Ex. 9 (Partial Stipulation) at 1-3.

<sup>9</sup> Report at 38. *See also, id.* at 48.

<sup>10</sup> *Id.* at 38.

The Senior Hearing Examiner next addressed the Partial Stipulation filed by the Cooperative, Frederick County and Staff.<sup>11</sup> Based on the case record, the Senior Hearing Examiner concluded that "the undisputed conclusions agreed to in the Partial Stipulation are fair, reasonable, in the public interest, comply with the statutory provisions . . . , and should be approved by the Commission."<sup>12</sup> The following are the provisions recommended for approval by the Senior Hearing Examiner:<sup>13</sup>

(1) a revenue increase of \$5,325,148 is necessary for SVEC to achieve a reasonable TIER in the range of 2.00 to 2.50x and should be approved; (2) SVEC's proposed revenue apportionment is reasonable and should be approved; (3) the Cooperative's proposed demand charge for Schedule C-13 is reasonable and should be approved; (4) SVEC's proposed seasonal [Power Supply Service] rates in Schedules A-13, C-13, B-13, and LP-13 are reasonable and should be approved; (5) the proposed decreases to facilities charge rates in SVEC's Terms and Conditions of service are reasonable and should be approved; (6) SVEC's proposed Schedule SSR-1 (the Cooperative's proposed community solar subscription rider) is reasonable and should be approved as proposed in the Application; (7) SVEC's proposed addition of Schedule AS-1 to pass through the costs of purchasing power from an alternative supplier to [Old Dominion Electric Cooperative] is reasonable and should be approved; and (8) SVEC's proposal to withdraw its Seasonal Residential Schedule S-7 should be approved.

Finally, the Senior Hearing Examiner addressed the two remaining substantive issues: SVEC's Residential BCC and Residential Demand Charge; the Senior Hearing Examiner recommended that the Commission approve both charges.<sup>14</sup>

On December 10, 2021, SVEC, SUN-VA, Frederick County and Staff each filed their respective comments/exceptions to the Senior Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the findings and recommendations of the Senior Hearing Examiner should be adopted in part as discussed further herein.

First, the Commission agrees with the Senior Hearing Examiner that based on this case record, the provisions agreed upon by the case participants in the Partial Stipulation are fair, reasonable, in the public interest, and comply with the applicable statutory provisions.<sup>15</sup> We approve these provisions.

We next consider the issue of the proposed increase in the Residential BCC from \$25 to \$30 per month. The Senior Hearing Examiner found that: (i) the increase is supported by the Cooperative's class cost of service study, as verified by Staff<sup>16</sup>; (ii) the proposed charge exceeds the Virginia cooperative average but is not wholly out of line with the fixed charges of other Virginia cooperatives<sup>17</sup>; and (iii) there is significant statutory discretion afforded to cooperative boards authorizing their implementation of monthly fixed customer charges, and this statutory discretion supports the Commission's approval of SVEC's Residential BCC proposal.<sup>18</sup>

<sup>11</sup> *Id.* at 44. As noted by the Senior Hearing Examiner, SVEC's proposed increase to its Residential Basic Customer Charge ("BCC") and its proposed addition of a residential demand charge remained in conflict and were not included in the Partial Stipulation. *Id.* at 45.

<sup>12</sup> *Id.* at 44-45.

<sup>13</sup> *Id.* at 44 (internal citations omitted).

<sup>14</sup> *Id.* at 48.

<sup>15</sup> *Id.* at 44-45.

<sup>16</sup> *Id.* at 45, *citing* Ex. 15 (Gravelly Direct) at 8 (and noting Frederick County's agreement (Ex. 9 at 2)): "Staff concluded such [class cost of service] study reasonably approximates the costs of serving the Cooperative's varying rate classes."

*See also, id.* at 45-46: The Senior Hearing Examiner noted that "[n]o case participant submitted an alternative [class cost of service] study for the Commission's consideration" and further, was unpersuaded by SUN-VA's arguments that the Cooperative should have used a different cost classification methodology limiting the assignment of customer costs only to costs associated with directly connecting customers to the grid (and excluding all costs associated with the Cooperative's primary system and transformers), finding that such an approach ignores the reality that to have electric service, a residential customer's meter and service facilities must be connected to a transformer and the Cooperative's primary distribution system.

<sup>17</sup> *Id.* at 45. The Senior Hearing Examiner also pointed to evidence that SVEC's class cost of service study actually supports a BCC slightly exceeding \$32. *Id.*, *citing* Tr. 116 and SVEC Post Hearing Brief (filed Nov. 12, 2021) at 9.

<sup>18</sup> *Id.* at 46.

In comments on the Senior Hearing Examiner's Report, both Frederick County and SUN-VA continued to urge rejection of the BCC that SVEC proposed and that the Report recommended the Commission adopt.<sup>19</sup> Among other reasons, these parties claim that the BCC is too high for some customers and should be based on a different cost allocation methodology, and that a high BCC does not encourage conservation of electricity or investments in energy efficiency and distributed solar.<sup>20</sup> Though not unmindful of these concerns, the Commission adopts the Senior Hearing Examiner's findings and recommendations as to the Residential BCC.<sup>21</sup> Based on this record, the Commission finds SVEC's class cost of service study, which supports a BCC increase to \$30, is reasonable.<sup>22</sup> This methodology has been implemented by numerous Virginia cooperatives and has been previously accepted by the Commission.<sup>23</sup> Moreover, the Staff analyzed SVEC's class cost of service study and concluded that it reasonably approximates the costs of serving the Cooperative's varying rate classes.<sup>24</sup>

The second contested issue in this case is SVEC's proposed Residential Demand Charge of \$0.10 per kilowatt ("kW") to the distribution portion of the tariff.<sup>25</sup> SVEC states that it has deployed metering technology that can meter demand for all customers, that it is researching available metering technology, and that it plans to install new Advanced Metering Infrastructure ("AMI") metering in the future that will be capable of recording demands on an hourly basis or even at 15-minute intervals.<sup>26</sup> SVEC states that, "[a]s an added feature, SVEC is including a proposed incremental off-peak demand charge also set at \$0.10 per kW."<sup>27</sup>

The Senior Hearing Examiner found reasonable SVEC's proposal to introduce the Residential Demand Charge of \$0.10/kW to the volumetric portion of residential customer rates.<sup>28</sup> She noted that the proposed amount of such charge is so low that it undoubtedly under-represents customer-related demand costs and that the record reflects a sufficient cost basis for the residential demand charge's approval.<sup>29</sup> She further determined that SVEC's plan to implement the Residential Demand Charge as a mechanism for educating members while moving toward its ultimate goal of enhancing the demand price structure, after the implementation of AMI, is reasonable.<sup>30</sup> She observed that the Commission recently approved similar residential demand charges in other cooperative cases.<sup>31</sup> She concluded that the proposed Residential Demand Charge is adequately supported by the record and should be approved by the Commission.<sup>32</sup>

<sup>19</sup> Frederick County Comments at 1-2; SUN-VA Comments at 1-11, 13.

<sup>20</sup> Frederick County Comments at 1-2; SUN-VA Comments at 3-4, 9-11.

<sup>21</sup> Report at 46. The Commission does not at this time specifically adopt the Senior Hearing Examiner's finding that the statutory discretion afforded to cooperative boards authorizing their implementation of monthly fixed customer charges supports the Commission's approval of SVEC's Residential BCC proposal. Nor does the Commission make any findings related to SUN-VA's assertion that the Senior Hearing Examiner erred in concluding that Code § 56-585.3 A is relevant to this case. SUN-VA Comments at 7-8.

<sup>22</sup> *Id.* at 45-46.

<sup>23</sup> *Id.* at 45, citing *Application of Southside Electric Cooperative for a general increase in electric rates*, Case No. PUR-2019-00090, 2020 S.C.C. Ann. Rep. 278. See also SVEC Post Hearing Brief at 11-15 (filed Nov. 12, 2021).

<sup>24</sup> Ex. 15 (Gravely Direct) at 6-8; Report at 25-26.

<sup>25</sup> Ex. 7 (Gaines Direct) at 26. This demand charge also would apply to the church class. *Id.* at 25; Ex. 1 (Application) at 6. SVEC testified that its proposed demand charge is "designed to shift the recovery of a portion of its demand-related fixed distribution costs from the distribution energy charge to the new demand charge." Report at 46 (citing Ex. 7 (Gaines Direct) at 25).

<sup>26</sup> Ex. 7 (Gaines Direct) at 26.

<sup>27</sup> *Id.* at 31. SVEC further explained its proposal vis-à-vis the Residential Demand Charge as follows:

The Cooperative's currently installed meters are capable of registering maximum monthly demand, but not on a time differentiated basis. Therefore, the Cooperative will apply the demand charge for "All kW of Billing Demand" upon approval and based on the customer's Billing Demand as defined which would be the maximum registered demand each month. The Cooperative will not apply the Incremental Off-Peak Billing Demand Charge until metering capable of registering on and off-peak billing demand is installed.

Ex. 15 (Gravely Direct) at Attachment KG-1 p. 3. The Cooperative stated that it plans to gradually introduce a differential between the charges for Billing Demand and the charges for Incremental Off-Peak Billing Demand. SVEC explained:

Application of the Incremental Off-Peak [Billing] Demand Charge before there is a differential will have no effect on a customer's bill . . . . After there is a rate differential, it will not cause an increase [in] any customer's bill. However, it could decrease a customer's bill relative to billing without new metering. Moreover, it will provide the on- and off-peak price signal the Cooperative is seeking.

*Id.*

<sup>28</sup> Report at 47.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

In comments on the Report, SUN-VA continued to object to implementation of this new charge, claiming that it defies principles of cost causation and does not provide for any meaningful load reduction.<sup>33</sup> Commenters also took issue with the implementation of a residential demand charge.<sup>34</sup>

The Commission declines at this time to approve the request for a Residential Demand Charge based on the record of this case. We note that, at present, SVEC does not have the capability to fully implement the demand charge as it proposes.<sup>35</sup> Specifically, without AMI meters, the Cooperative cannot implement the off-peak billing demand component with a differential.<sup>36</sup> This decision is without prejudice for the Cooperative to renew such a request in the future.

Finally, we note that the Senior Hearing Examiner thoroughly considered the Motion *in Limine*, and the Commission agrees with the Report's findings and recommendations thereon. The Senior Hearing Examiner also recommended that the Commission authorize SVEC's implementation of its new rates and charges (on a non-interim basis) effective for bills rendered on or after March 1, 2022, consistent with SVEC's updated request.<sup>37</sup> Similarly, the Commission finds that SVEC should implement its new rates and charges (on a non-interim basis) effective for bills rendered as soon as reasonably practicable.

The Commission realizes that the ongoing COVID-19 public health issues have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the December 2, 2021 Report are adopted in part as set forth herein.
- (2) The Joint Motion filed by SVEC, Frederick County and Staff is granted, and the Partial Stipulation is approved.
- (3) SVEC's Motion *in Limine* is denied, and the contested evidence hereby is admitted into the record of this case.
- (4) SVEC's revised rates shall be effective as soon as reasonably practicable.
- (5) Within thirty (30) days of the issuance of this Final Order, the Cooperative shall file revised tariffs, schedules, and terms and conditions of service that reflect the rates and charges approved herein and their effective date.
- (6) This case is dismissed.

<sup>33</sup> SUN-VA Comments at 11-12.

<sup>34</sup> Report at 2-6.

<sup>35</sup> See Ex. 15 (Gravely Direct) at Attachment KG-1 p. 3; Tr. 117-119, 205-206.

<sup>36</sup> Tr. 118-119, 201, 205-206. See also, Ex. 15 (Gravely Direct) at Attachment KG-1 p. 3.

<sup>37</sup> Report at 47-48.

**CASE NO. PUR-2021-00054  
MARCH 28, 2022**

APPLICATION OF  
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For a general increase in electric rates

**ORDER GRANTING RECONSIDERATION**

On March 11, 2022, the State Corporation Commission ("Commission") issued a Final Order in this docket. On March 22, 2022, Shenandoah Valley Electric Cooperative ("Cooperative") filed a Petition for Reconsideration and Motion for Suspension of Final Order ("Petition").

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition, and schedules additional pleadings attendant to the Petition. The Final Order is hereby suspended pending the Commission's consideration of the Petition.

Accordingly, IT IS ORDERED THAT:

- (1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the Petition.
- (2) Pending the Commission's consideration of the Petition, the Final Order is suspended.
- (3) Respondents and Commission Staff may file any responses to the Petition on or before April 8, 2022.
- (4) The Cooperative may file a reply to the above response(s) on or before April 15, 2022.
- (5) This matter is continued generally.



**CASE NO. PUR-2021-00054  
MAY 5, 2022**

APPLICATION OF  
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For a general increase in electric rates

**ORDER ON RECONSIDERATION**

On March 11, 2022, the State Corporation Commission ("Commission") issued a Final Order in this case, wherein Shenandoah Valley Electric Cooperative ("SVEC" or "Cooperative") had filed an application ("Application") for approval of a general increase in electric rates. On March 22, 2022, the Cooperative filed a Petition for Reconsideration and Motion for Suspension of Final Order ("Petition for Reconsideration").

On March 28, 2022, the Commission entered an Order Granting Reconsideration, in which the Commission suspended the Final Order and granted reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The Commission also set deadlines for responses and reply to the Petition for Reconsideration. On April 8, 2022, Commission Staff ("Staff") and Solar United Neighbors of Virginia ("SUN-VA") each filed a response. On April 15, 2022, SVEC filed a reply ("Reply").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that: the Final Order is clarified and modified as set forth herein; and, otherwise, SVEC's request for reconsideration is denied.

Initially, SVEC misconstrues the Commission's finding as to the proposed Residential Demand Charge. Contrary to SVEC's suggestion, the Commission did *not* find that SVEC is unable to implement "All kW of Billing Demand" at this time.<sup>1</sup> Rather, the Commission's denial of the Residential Demand Charge is based on the finding that SVEC does not have the capability – at the present – "to fully implement" all aspects of the proposed demand charge.<sup>2</sup> Specifically, the Commission found that SVEC does not have the capability *at this time* to implement time-of-use demand charges in order to *currently* effectuate the Incremental Off-Peak Billing Demand Charge component of the proposed demand charge. Indeed, SVEC acknowledges as much in its Reply.<sup>3</sup>

SVEC also suggests that the Commission erred by rejecting a demand charge for residential customers while at the same time approving a demand charge for church service customers.<sup>4</sup> The Final Order, however, cited the explanation of SVEC's witness that the proposed residential demand charge "also would apply to the church class."<sup>5</sup> Accordingly, the Commission clarifies that its denial of the demand charge likewise applies to both residential and church service customers; to the extent such finding needs to be made expressly, the Final Order is hereby so modified.

Next, SVEC also alleges that the Commission erred because a residential demand charge was previously approved for Craig-Botetourt Electric Cooperative ("CBEC").<sup>6</sup> As discussed by SUN-VA, this is not error. The Commission's finding herein is based upon – and supported by – the distinct record in the instant proceeding.<sup>7</sup> Furthermore, the stipulation as approved by the Commission in the CBEC proceeding (containing the residential demand charge) expressly directs it shall *not* serve as precedent in *any* future case.<sup>8</sup>

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<sup>1</sup> See, e.g., SVEC's Reply at 7-9.

<sup>2</sup> Final Order at 8. See also SVEC's Petition for Reconsideration at 4 and SVEC's Reply at 3.

<sup>3</sup> See, e.g., SVEC's Reply at 7-9 (citing Tr. at 205-206). Per SVEC witness Rogers on cross-examination from counsel for SUN-VA:

Q. "...I just want to confirm with you today or right now, the Cooperative doesn't currently have these meters in place to take advantage of the demand charge; is that correct?"

A. "Not of the time of use demand charges...."

<sup>4</sup> SVEC's Petition for Reconsideration at 7-8 and SVEC's Reply at 4-5.

<sup>5</sup> Final Order at 6 n.25.

<sup>6</sup> See, e.g., SVEC's Petition for Reconsideration at 8-10.

<sup>7</sup> See, e.g., SUN-VA's Response at 5 ("The Commission's decision to decline to approve SVEC's demand charge was properly based on the evidence *in this case*." (emphasis in original)).

<sup>8</sup> See, e.g., *id.* at 4-5 (quoting from the approved CBEC stipulation that it "represents a compromise for the purposes of settlement in this case only and shall not be regarded as a precedent with respect to any ratemaking or any other principle in any future rate case").

In addition, SVEC asks the Commission to, "in the alternative, amend its Final Order to approve only the 'All kW of Billing Demand' component of the Residential Demand Charge."<sup>9</sup> The Commission, however, has already in effect denied this request in the Final Order, when we denied approval of the entire residential demand charge because SVEC does not have the existing capability to fully implement *all* aspects thereof as explained above. Moreover, to the extent that SVEC's instant request "in the alternative" is different from the relief sought in its Application, the Commission hereby exercises its discretion not to consider such on reconsideration.<sup>10</sup>

Finally, SVEC and Staff are correct that: (1) the Commission approved a total revenue increase of \$5,325,148 as set forth in the Partial Stipulation; and (2) because there is no distribution *demand* charge for residential customers, \$952,015 of the approved residential distribution revenue requirement shall be recovered through the residential distribution *energy* charge.<sup>11</sup> Similarly, \$14,354 of the revenue increase that was previously associated with the proposed church service demand charge shall be recovered through the church service distribution energy charge.<sup>12</sup>

Accordingly, IT IS SO ORDERED, the Final Order is no longer suspended, and this case is DISMISSED.

<sup>9</sup> See, e.g., SVEC's Reply at 15.

<sup>10</sup> See, e.g., *Wal-Mart Stores East, LP v. State Corp. Comm'n*, 299 Va. 57, 76-77 (2020) ("That is not a request to reconsider a prior decision. It is a request to consider for the first time something the movant had never before specifically sought. ... [T]he Commission did not abuse its discretion in denying Walmart's motion to reconsider."). See also SUN-VA's Response at 6.

<sup>11</sup> See, e.g., SVEC's Petition for Reconsideration at 14, Staff's Response at 3-4, and SVEC's Reply at 14-15.

<sup>12</sup> See, e.g., Ex. 1 (Application), Sch. 15B at 2.

**CASE NO. PUR-2021-00063  
FEBRUARY 7, 2022**

APPLICATION OF  
SHENANDOAH TELEPHONE COMPANY, SHENANDOAH TELECOMMUNICATIONS COMPANY,  
SHENANDOAH CABLE TELEVISION, LLC, and SHENTEL MANAGEMENT COMPANY

For approval of a Services Agreement under Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On November 24, 2021, Shenandoah Telephone Company ("Shenandoah"), Shenandoah Telecommunications Company ("ShenCom"), Shenandoah Cable Television, LLC ("SCT"), and ShenTel Management Company ("SMC") (collectively, "Applicants"),<sup>1</sup> filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a new management services agreement ("New MSA") under Chapter 4 of Title 56 of the Code of Virginia ("Code").<sup>2</sup> The Applicants are currently operating under a Commission order dated November 18, 2021 ("November 18 Order"), which granted interim authority to operate under the current MSA pending a final order in this case.<sup>3</sup>

Under the New MSA, SMC will provide Shenandoah with eight categories of general and administrative services: (1) management services; (2) accounting services; (3) human resources services; (4) legal services; (5) information technology services; (6) inventory and facility management services; (7) sales & marketing services; and (8) customer service support services. SMC will also provide Shenandoah with operations (network and maintenance) services, which include the provision and management of operational support, network planning, engineering, and field operations teams to maintain the network in an operational state.

In addition, SCT will provide Shenandoah with floor space within its owned or leased buildings on an as needed basis. Given the limited nature of Shenandoah's current needs, SCT and Shenandoah agree that the space will be provided without charge until such time as Shenandoah requires more space. No rental service charges will be assessed without prior Commission approval.

SMC will charge Shenandoah for the New MSA services (collectively, "Services") via an annual management fee, which will be calculated by multiplying SMC's annual corporate overhead costs by a revenue allocation factor (Shenandoah's proportion of ShenCom's annual total consolidated revenue), using the most recently available annual audited financial statements. The Applicants represent that SMC will provide all Services to Shenandoah at cost without a profit component.<sup>4</sup>

The New MSA contains additional provisions for a cash management plan ("CMP") and consolidated tax allocation agreement ("Tax Agreement") between the Applicants.

<sup>1</sup> Shenandoah Mobile, LLC, and Shenandoah Personal Communications, LLC, are also considered parties to the Application and have provided the statutorily required verifications as they participate in the tax sharing arrangement and cash management arrangement under the management services agreement.

<sup>2</sup> Code § 56-76 *et seq.*

<sup>3</sup> See *Joint Petition of Shenandoah Telephone Company and Shenandoah Cable Television, LLC, For approval of affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2021-00063, Doc. Con. Cen. No. 211160050, Order (Nov. 18, 2021).

<sup>4</sup> See Application, Attachment A, at 4.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Applicants' comments thereon, is of the opinion and finds that the New MSA is in the public interest and is approved subject to the requirements listed in the Appendix attached to this order. We specifically find that the CMP and Tax Agreement are part of the New MSA and are subject to the approval granted in this case. The interim authority granted in the November 18 Order is cancelled as of the effective date of this order.

Accordingly, IT IS ORDERED THAT:

- (1) The Petitioners hereby are granted approval of the New MSA subject to the requirements listed in the Appendix attached to this order.
- (2) The interim authority granted in the November 18 Order is cancelled.
- (3) This case is dismissed.

## APPENDIX

- 1) The cash management plan and tax allocation agreement are part of the New MSA and are subject to the approval granted in this case.
- 2) The Commission's approval of the New MSA shall extend for five years from the effective date of the order granting approval in this case. If Shenandoah wishes to continue the New MSA beyond that date, separate approval shall be required.
- 3) The Commission's approval shall have no accounting or ratemaking implications.
- 4) The Commission's approval shall be limited to the specific Services identified and described in the New MSA. If Shenandoah wishes to receive Services not specifically identified and described in the New MSA, separate approval shall be required.
- 5) Separate Commission approval shall be required for Shenandoah to receive Services from the Service Company through the engagement of any unidentified third-party affiliates under the New MSA.
- 6) Shenandoah shall be required to maintain records, available to Staff upon request, demonstrating that the Services it receives from SMC are cost beneficial to Virginia ratepayers. For all Services received by Shenandoah where a market may exist, Shenandoah shall investigate whether comparable market prices are available and, if they exist, Shenandoah shall compare the market price to cost and pay the lower of cost or market to SMC. Records of such investigations and comparisons shall be available to Staff upon request. Shenandoah shall bear the burden of proving, in any rate proceeding, that all Services received and paid for by Shenandoah are priced at the lower of cost or market where a market for such services exists.
- 7) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.
- 8) Separate Commission approval shall be required for any changes in the terms and conditions of the New MSA.
- 9) The Commission shall reserve the right to examine the books and records of Shenandoah and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.
- 10) Shenandoah shall file a copy of the approved and executed New MSA within 60 days after the effective date of the order granting approval in this case, subject to administrative extension by the Director of the Division of Utility Accounting and Finance ("UAF Director").
- 11) Shenandoah shall include all transactions associated with the New MSA in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:
  - (a) List the case number in which the New MSA was approved;
  - (b) List Shenandoah, the affiliate(s), and the Service(s) received; and
  - (c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Commission approved Services received by month, type of service, USOA account, and dollar amount (as the transactions are recorded in Shenandoah's books).

**CASE NO. PUR-2021-00066  
FEBRUARY 18, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For a prudency review, pursuant to § 56-585.1:4 H of the Code of Virginia, with respect to the purchase of the Amherst Solar Facility

**FINAL ORDER**

On November 18, 2021, Appalachian Power Company ("APCo" or "Company"), pursuant to § 56-585.1:4 H of the Code of Virginia ("Code"), filed a petition ("Petition") with the State Corporation Commission ("Commission") for a prudency determination with respect to the Company's proposed purchase and sale agreement with SAE Solar LLC ("SAE Solar") (a project company that is a subsidiary of SolAmerica Energy, LLC ("SolAmerica")) for a 4.875 megawatt ("MW") solar facility to be located in Amherst County, Virginia ("Facility"). The Commission's final order is required by Code § 56-585.1:4 H to be entered by the Commission not more than three months after the date of such filing.

The Company states that to comply with the Grid Transformation and Security Act ("GTSA")<sup>1</sup> and the Virginia Clean Economy Act ("VCEA"),<sup>2</sup> the Company must construct or acquire generating capacity utilizing energy from sunlight or onshore wind.<sup>3</sup> Specifically, the GTSA requires APCo to construct or acquire generation facilities of not less than 200 MW of solar generation by July 1, 2028. The VCEA requires APCo to petition the Commission for approval "to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of 600 MW of generating capacity using energy derived from sunlight or onshore wind," of which 200 MW must be petitioned for by December 31, 2023.<sup>4</sup>

The Company further states that it issued a request for proposals, and as a result the Company pursued the Facility, which is a 4.875 MW, fixed tilt design, photovoltaic solar facility in Amherst County, Virginia.<sup>5</sup> The Company states the Facility will be located in a sparsely populated, wooded area, and the panels will largely be obscured by vegetation on all sides.<sup>6</sup> The Company further states the Facility will be interconnected to the Company's distribution system at 12.4 kilovolts.<sup>7</sup>

According to the Petition, the developer of the Facility submitted its notice of intent to construct the Facility with the Department of Environmental Quality on January 26, 2021, and its notice of intent to construct the Facility with the Commission on September 29, 2021. APCo states that should the Commission grant this Petition and the subsequent request to purchase and operate the Facility, it is expected to be operational by 2023.<sup>8</sup> The Company further states that it will acquire SAE Solar from SolAmerica when the Facility is at the point of mechanical completion, thereby preserving tax benefits for APCo's use.<sup>9</sup>

In sum, the Company requests in its Petition that the Commission: (1) find that the acquisition of the Facility is prudent, and (2) grant any such other relief as deemed just and proper.<sup>10</sup>

On December 7, 2021, the Commission issued an Order for Notice and Comment that, among other things, docketed the Petition; required APCo to provide public notice of its Petition; provided for interested persons to have an opportunity to comment on the Petition, file a notice of participation as a respondent, or request that a hearing be convened; directed the Commission's Staff ("Staff") to investigate the Petition and present its findings and recommendations in a report ("Staff Report"); and appointed a Hearing Examiner to rule on any discovery matters that might arise during the course of this proceeding.

Notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") and the VML/VaCo APCo Steering Committee ("Committee").<sup>11</sup> On January 21, 2022, Consumer Counsel filed comments on the Petition. On January 28, 2022, the Staff filed its Staff Report. On February 4, 2022, APCo filed rebuttal testimony. Also on February 4, 2022, SolAmerica filed a Motion to Intervene and Submit Comments Out of Time.<sup>12</sup> No party requested that the Commission convene a hearing on the Petition.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

#### Applicable Law

APCo filed the instant Petition, as it is permitted under Code § 56-585.1:4 H, which states as follows:

A utility may elect to petition the Commission, outside of a triennial review proceeding conducted pursuant to § 56-585.1, at any time for a prudency determination with respect to the construction or purchase by the utility of one or more solar or wind generation facilities located in the Commonwealth or off the Commonwealth's Atlantic Shoreline or the purchase by the utility of energy, capacity, and environmental attributes from solar or wind facilities owned by persons other than the utility. The Commission's final order regarding any such petition shall be entered by the Commission not more than three months after the date of the filing of such petition.

<sup>1</sup> 2018 Va. Acts ch. 296 (SB 966).

<sup>2</sup> 2020 Va. Acts chs. 1193, 1194 (HB 1526 and SB 851, respectively). *See also* Code § 56-585.5 D 1.

<sup>3</sup> Petition at 2-3.

<sup>4</sup> Code § 56-585.5 D 1 a.

<sup>5</sup> Petition at 3.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 3-4.

<sup>9</sup> *Id.* at 4.

<sup>10</sup> *Id.* at 8-9.

<sup>11</sup> On February 9, 2022, the Committee filed a motion to withdraw its notice of participation. That motion is hereby granted.

<sup>12</sup> Consumer Counsel filed a response opposing SolAmerica's request for late intervention as a party, and SolAmerica filed a reply thereto. The Commission finds that SolAmerica's Motion is granted in part and denied in part. SolAmerica's motion to intervene out of time is denied; however, the late filed comments out of time are accepted into the record in this proceeding.

Enactment Clause 21 of the GTSA provides in part that:

[O]n or before July 1, 2028, subject to the approval of [Commission], a Phase I Utility,<sup>13</sup> as that term is defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, shall construct or acquire a generation facility or facilities utilizing energy derived from sunlight with an aggregate capacity of not less than 200 megawatts located in the Commonwealth, which utility-owned generation facility or facilities is in the public interest as is set forth in this act.<sup>14</sup>

Code § 56-585.5 D 1 a further requires, by December 31, 2023, that APCo petition the Commission "for necessary approvals to construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of at least 200 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind." Code § 56-585.5 C further establishes a renewable portfolio standard program ("RPS Program") and directs APCo to "procure and retire Renewable Energy Certificates ("RECs") originating from renewable energy standard eligible sources." The RPS Program requirements are "a percentage of the total electric energy sold in the previous calendar year" based on a statutorily prescribed schedule.

Finally, the General Assembly has mandated that utility purchases such as the Facility are in the "public interest:"

Prior to January 1, 2024, (i) *the construction or purchase by a public utility of one or more solar or wind generation facilities located in the Commonwealth or off the Commonwealth's Atlantic shoreline, each having a rated capacity of at least one megawatt and having in the aggregate a rated capacity that does not exceed 5,000 megawatts*, or (ii) the purchase by a public utility of energy, capacity, and environmental attributes from solar facilities described in clause (i) owned by persons other than a public utility is in the public interest, and the Commission shall so find if required to make a finding regarding whether such construction or purchase is in the public interest.<sup>15</sup>

#### Evidence of Prudence

The record in this case relevant to the factual question of prudence includes the following:

- The Facility was pursued as a part of a competitive request for proposals ("RFP") issued by the Company on January 22, 2020, to comply with Enactment Clause 21 of the GTSA. The RFP received multiple bids from which the Company short-listed three projects, two of which subsequently withdrew, prompting the Company to only pursue the Amherst Facility;<sup>16</sup>
- As the Company will be purchasing the Facility at the point of mechanical completion, the developer bears the risk of construction costs;<sup>17</sup>
- The Facility will be constructed using a known and proven technology;<sup>18</sup>
- The Facility has a positive net present value ("NPV") to customers compared to market costs based on the Company's economic analysis;<sup>19</sup>
- The Facility is cost beneficial to customers over the lifetime of the project even if the benefits of the social cost of carbon and avoided REC costs are omitted;<sup>20</sup>
- APCo has a need for the Facility to comply with Enactment Clause 21 of the GTSA;<sup>21</sup>
- The Facility will assist APCo in complying with Code § 56-585.5 D 1 A;<sup>22</sup>
- Beginning in 2023, the Facility will produce RECs that that can be used to comply with Code § 56-585.5 C;<sup>23</sup>

<sup>13</sup> APCo is a Phase I utility.

<sup>14</sup> 2018 Va. Acts ch. 296.

<sup>15</sup> Code § 56-585.1:4 A (emphasis added). *See also* Code § 56-585.1:1 G.

<sup>16</sup> Direct Testimony of Company witness William K. Castle ("Castle Direct") at 5; Staff Report at 3.

<sup>17</sup> Castle Direct at 4.

<sup>18</sup> *Id.* at 6.

<sup>19</sup> Petition at 4-5.

<sup>20</sup> Staff Report (*See* February 8, 2022 errata filing) at 8.

<sup>21</sup> Castle Direct at 3.

<sup>22</sup> *Id.*

<sup>23</sup> Petition at 3-4; Castle Direct at 7.

- The Facility will provide direct and indirect economic benefits to the communities in which it will be located;<sup>24</sup> and
- Based on the Company's EJSCREEN, the Facility will not disproportionately affect environmental justice communities or fenceline communities.<sup>25</sup>

#### Prudency

The Commission has considered the entire record.<sup>26</sup> The Staff Report did not take issue with the Company's economic analysis and stated that "the record in this proceeding could support a finding of prudence for the Amherst Facility."<sup>27</sup> The Commission concludes that the record in this proceeding supports a finding that the Amherst Facility is prudent. The finding of prudence in this matter is supported by, among other things and as cited above, the following:

- (1) The Facility was pursued as part of a competitive RFP;
- (2) The Facility provides a positive NPV to customers;
- (3) The Facility is competitive with market costs;
- (4) The Facility will not disproportionately affect environmental justice communities or fenceline communities; and
- (5) The Facility will aid in the Company's compliance with multiple applicable legal requirements, including Enactment Clause 21 of the GTSA, Code § 56-585.5 C and Code § 56-585.5 D 1 A.

#### Cost Allocation

We find that a determination of prudency in this proceeding does not require the adoption of a cost allocation methodology or resolution of the cost allocation-related issues raised by parties.<sup>28</sup> The Commission also finds that the determination of prudency herein likewise does not require a finding on how the Facility's benefits will flow to Virginia customers.<sup>29</sup> Rather, we find that ratemaking issues, including those related to cost allocation and benefits, can be reasonably addressed when APCo seeks cost recovery for the Facility.

Finally, we decline to merge the instant request for a prudency determination into APCo's pending RPS Plan case as requested by Consumer Counsel.<sup>30</sup> We find sufficient evidence in the record to determine the prudency of the proposed Facility at this time under applicable law, as discussed herein.

Accordingly, IT IS ORDERED THAT the Petition is approved as set forth herein, and this matter is dismissed.

<sup>24</sup> Petition at 5; Caste Direct at 7.

<sup>25</sup> Staff Report at 11.

<sup>26</sup> See also *Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

<sup>27</sup> Staff Report at 8 (See February 8, 2022 errata filing), 11.

<sup>28</sup> This is consistent with the Commission's determination in a previous prudency determination under Code § 56-585.1:4 H. See *Petition of Virginia Electric and Power Company, For a prudency determination with respect to the Westmoreland Solar Power Purchase Agreement pursuant to § 56-585.1:4 F of the Code of Virginia*, Case No. PUR-2019-00133, 2019 S.C.C. Ann. Rept. 495, 498 (Nov. 6, 2019).

<sup>29</sup> Consumer Counsel comments at 10.

<sup>30</sup> *Id.* (citing pending Case No. PUR-2021-00206).

**CASE NO. PUR-2021-00066  
MARCH 9, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For a prudency review, pursuant to § 56-585.1:4 H of the Code of Virginia, with respect to the purchase of the Amherst Solar Facility

**ORDER GRANTING RECONSIDERATION**

On February 18, 2022, the State Corporation Commission ("Commission") issued a Final Order in this docket. On March 7, 2022, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed its Objection to Hearing Examiner's Ruling and Request for Reconsideration ("Petition for Reconsideration").<sup>1</sup>

<sup>1</sup> Though labeled a "request," Consumer Counsel states it is making its filing pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* This rule pertains to petitions for rehearing or reconsideration, and we treat the "request" as a "petition" under this rule.

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The Final Order is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT:

- (1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration.
- (2) Pending the Commission's reconsideration, the Final Order is suspended.
- (3) Appalachian Power Company and Staff may file a response to the Petition for Reconsideration on or before March 16, 2022.
- (4) Consumer Counsel may file any reply on or before March 22, 2022.
- (5) This matter is continued generally.

**CASE NO. PUR-2021-00066**  
**APRIL 5, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For a prudency review, pursuant to § 56-585.1:4 H of the Code of Virginia, with respect to the purchase of the Amherst Solar Facility

**ORDER**

On February 18, 2022, the State Corporation Commission ("Commission") issued a Final Order in this docket. On March 7, 2022, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed its Objection to Hearing Examiner's Ruling and Request for Reconsideration ("Petition for Reconsideration")<sup>1</sup>, in which Consumer Counsel objected to a ruling that its February 1, 2022 Motion for Ruling on Confidentiality of Information ("Motion for Ruling") was untimely.

On March 9, 2022, the Commission issued an Order Granting Reconsideration that granted reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration; suspended the Final Order pending the Commission's reconsideration; and provided an opportunity to file responses and a reply to the Petition for Reconsideration.

On March 24, 2022, the Commission issued an Order remanding this proceeding to the hearing examiner for purposes of making a recommended determination regarding the confidentiality of the information challenged by Consumer Counsel in its February 1, 2022 Motion for Ruling.

On March 28, 2022, Appalachian Power Company ("APCo") filed its Motion for Clarification seeking clarification that the Commission's March 24, 2022 Order does not affect the February 18, 2022 Final Order's prudency determination and that development of the Amherst Facility may immediately commence.

On April 1, 2022, Consumer Counsel filed its Motion for Leave to Withdraw Motion for Ruling and Response to Appalachian Power Company's Motion for Clarification ("Motion for Leave to Withdraw") in which Consumer Counsel asks that the Commission grant Consumer Counsel leave to withdraw the Motion for Ruling, reinstate the suspended Final Order, and dismiss this proceeding. Later that same day, APCo filed a response to Consumer Counsel's Motion for Leave to Withdraw noting, among other things, that APCo does not oppose the Motion for Leave to Withdraw.

NOW THE COMMISSION, upon consideration of this matter, finds Consumer Counsel's Motion for Leave to Withdraw should be granted.

Accordingly, IT IS ORDERED THAT:

- (1) Consumer Counsel's Motion for Leave to Withdraw is granted without prejudice.
- (2) APCo's Motion for Clarification is denied as moot.
- (3) The Commission's February 18, 2022 Final Order is no longer suspended.
- (4) This case is dismissed.

<sup>1</sup> Though labeled a "request," Consumer Counsel states it is making its filing pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* This rule pertains to petitions for rehearing or reconsideration, and we treat the "request" as a "petition" under this rule.

**CASE NO. PUR-2021-00082  
APRIL 29, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Elmont-Ladysmith 500 kV Transmission Line #574 Rebuild and Related Projects

**FINAL ORDER**

On April 27, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification to construct and operate electric transmission facilities in Hanover and Caroline Counties, Virginia. Dominion filed its Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Through its Application, Dominion seeks (i) to rebuild approximately 26.2 miles of 500 kV Line #574 on single circuit steel structures between Elmont Switching Station and Ladysmith Switching Station with dulled galvanized steel structures that can support a 500 kilovolt ("kV") circuit with an underbuild that permits installation of a future 230 kV circuit; (ii) the removal of one single circuit 500 kV galvanized steel lattice tower supporting existing Line #568 (Ladysmith - Possum Point) at Ladysmith, which will be replaced with two single circuit 500 kV dulled galvanized steel lattice towers; and (iii) to complete work at Elmont and Ladysmith Switching Stations to support the new line rating (collectively, the "Rebuild Projects").<sup>1</sup>

Dominion states that the Rebuild Projects are necessary to maintain the structural integrity and reliability of its transmission system in compliance with mandatory North American Electric Reliability Corporation ("NERC") reliability standards.<sup>2</sup> The Company further states that the Rebuild Projects will replace aging infrastructure that is at the end of its service life.<sup>3</sup>

The Company's desired in-service date for the Rebuild Projects is December 31, 2025.<sup>4</sup> The Company represents that the estimated conceptual cost of the Rebuild Projects (in 2021 dollars) is approximately \$92.2 million, which includes approximately \$80.8 million for transmission-related work and \$11.4 million for substation-related work.<sup>5</sup>

Dominion represents that, given the availability of existing right-of-way ("ROW"), the statutory preference given to the use of existing ROW, and because of the additional costs and environmental impacts that would be associated with the acquisition of and construction on new ROW, the Company considered no alternate routes requiring new ROW for the Rebuild Projects.<sup>6</sup>

On May 26, 2021, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled an evidentiary hearing; directed the Staff of the Commission ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter. No comments or notices of participation were filed in this proceeding.

As also discussed in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Projects by the appropriate agencies and to provide a report on the review. On July 1, 2021, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains a Summary of Recommendations regarding the Rebuild Projects. According to the DEQ Report, the Company should:

- Follow DEQ recommendations including the avoidance and minimization of impacts to wetlands and streams;
- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;
- Coordinate with the Department of Conservation and Recreation ("DCR") on the development and implementation of an invasive species plan to be included as part of the maintenance practices for the ROW;

<sup>1</sup> Ex. 2 (Application) at 2.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 3. Dominion requests that the Commission enter a final order by September 30, 2022, for the Company to begin construction by January 3, 2023, and complete construction by December 31, 2025. *Id.* at 3.

<sup>5</sup> *Id.* at 3-4.

<sup>6</sup> *Id.* at 4.



- Coordinate with DCR for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the project construction to avoid and minimize impacts to natural heritage resources;
- Coordinate with the Department of Wildlife Resources ("DWR") should instream work resulting in temporary or permanent impacts to Threatened and Endangered Species Water and Anadromous Fish Use Areas;
- Coordinate with DWR as necessary regarding the general protection of wildlife resources;
- Coordinate with the Virginia Outdoors Foundation ("VOF") on minimizing the impacts of the replacement structures on VOF open space easements in the vicinity of the Rebuild Projects;
- Employ best management practices and Spill Prevention and Control Countermeasures and other measures as appropriate for the protection of water supply sources;
- Follow the principles and practices of pollution prevention to the extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.<sup>7</sup>

On November 1, 2021, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated that rebuilding 500 kV Line #574 between Elmont and Ladysmith is needed to maintain the overall reliability of the Company's transmission system, and that the proposed route, using existing ROW, reasonably minimizes impacts to environmental, historic, and scenic resources.<sup>8</sup> Staff therefore did not oppose the issuance of the certificate of public convenience and necessity ("CPCN") for the 500 kV Line requested in the Company's Application.<sup>9</sup> Staff, however, was not able to verify the need for the Company's proposed tower design that would be capable of carrying both a 500 kV and 230 kV line ("5-2 Structures") to support a future 230 kV underbuild based on the information provided by the Company.<sup>10</sup> Staff did not take a position relative to the use of the 5-2 Structures in this case.<sup>11</sup>

On November 15, 2021, the Company filed its rebuttal testimony. In its rebuttal testimony, Dominion requested that the Commission reject certain recommendations in the DEQ Report.<sup>12</sup> Specifically, Dominion requested that the Commission reject: (i) DCR's recommendation for the Company to coordinate with the U.S. Fish and Wildlife Services to ensure compliance with protected species legislation; (ii) DCR's recommendation for the Company to develop and implement an invasive species plan to be included as part of the maintenance practices for the ROW; (iii) DWR's recommendation for the Company to coordinate with agency staff on any permanent or temporary impacts to Threatened and Endangered Species Water and Confirmed Anadromous Fish Use Areas; (iv) DWR's recommendations related to significant tree removal or tree clearing activities outside of certain seasons; and (v) DEQ's recommendation for the Company to consider the development of an effective environmental management system ("EMS").<sup>13</sup>

Due to the ongoing public health issues related to the spread of COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on December 8, 2021.<sup>14</sup> The Company and Staff participated at the hearing.

On February 9, 2022, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was issued. In the Report, the Hearing Examiner found:

1. A transmission project to rebuild Line #574 and partially rebuild Line #568 is needed to address aging infrastructure and maintain transmission system reliability;
2. The Rebuild Projects would maximize the use of existing ROW;
3. The Rebuild Projects, which will use dulated structures, would avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic districts, and environment of the area concerned;
4. The unopposed recommendations in the DEQ Report should be adopted by the Commission as conditions of approval;
5. Dominion should coordinate with DWR to create appropriate construction restrictions in the event significant clearing activities occur and songbird nesting colonies are found during a Company survey of the Rebuild Projects' area;

<sup>7</sup> Ex. 13 (DEQ Report) at 6-7.

<sup>8</sup> Ex. 11 (Malik Direct) at Staff Report, p.21.

<sup>9</sup> *Id.* at 22.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> Ex. 14 (Studebaker Rebuttal) at 2-3.

<sup>13</sup> *Id.*

<sup>14</sup> A public witness hearing was scheduled to be held telephonically on December 7, 2021, but was canceled after no public witnesses signed up to testify. See Hearing Examiner's Ruling filed December 6, 2021.

6. Dominion should mark and call out on erosion and sediment control plans any well's location within 1,000 feet of the Rebuild Projects' site;
7. The Rebuild Projects do not appear to adversely impact any goals established by the Virginia Environmental Justice Act ("VEJA");<sup>15</sup>
8. The Rebuild Projects would support economic development;
9. The Application does not propose the construction of a 230 kV line, but does propose structures with an underbuild component that would be capable of carrying a future 230 kV line;
10. Compared to using single-circuit 500 kV structures, Dominion's proposal to use 5-2 Structures capable of carrying a 500 kV and 230 kV line increases the cost of the Rebuild Projects, from approximately \$71.9 million to \$92.2 million, and increases the average proposed structure height, from approximately 136 feet to 146 feet;
11. The record indicates that there may be a future need for a 230 kV line between the Elmont and Ladysmith Stations;
12. A more proactive approach to transmission infrastructure, as proposed with the 5-2 Structures, risks unnecessary upfront costs, while a more conservative approach risks back-end costs that could have been avoided with upfront investment; and
13. The customer risk associated with unnecessary upfront costs could be mitigated by approving 500 kV single-circuit structures for the Rebuild Projects unless the Company agrees to bear the incremental cost of 5-2 structures until the need for 230 kV is established in the future.<sup>16</sup>

The Hearing Examiner recommended that the Commission enter an order that adopts the findings and recommendations in the Report, authorizes the Company to construct and operate the Rebuild Projects using single-circuit structures, subject to the findings and conditions recommended in the Report, issues appropriate CPCNs for the Rebuild Projects, and dismisses this case from the Commission's docket of active cases.<sup>17</sup>

On March 2, 2022, Dominion filed comments on the Report. In its comments, the Company requested that the Commission (i) adopt Findings and Recommendations Nos. 1-12 from the Report, without modification; (ii) grant approval of the Rebuild Projects, including the proposed 5-2 Structures to support a future 230 kV line, and its associated costs; (iii) reject Finding and Recommendation No. 13 from the Report recommending that the Company bear the incremental costs of the 5-2 Structures until the need for the 230 kV is established in the future; and (iv) grant such other relief as deemed appropriate.<sup>18</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Rebuild Projects. The Commission finds that a CPCN authorizing the Rebuild Projects should be issued subject to certain findings and conditions contained herein.

#### Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 67-101.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

<sup>15</sup> Code § 2.2-234 *et seq.*

<sup>16</sup> Report at 34-35.

<sup>17</sup> *Id.* at 35-36.

<sup>18</sup> Dominion Comments at 20.

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

The Company states the proposed Rebuild Projects are needed to replace aging infrastructure at the end of its service life in order to comply with mandatory NERC Standards for transmission facilities, PJM Reliability Standards, the Company's Transmission Planning Criteria, and to maintain the long-term reliability of the Company's transmission system.<sup>19</sup> Based on information provided by the Company, Staff concluded that the Company had reasonably demonstrated that rebuilding the 500 kV Line #574 is needed for the overall reliability of the Company's transmission system.<sup>20</sup> The Commission agrees with the Hearing Examiner that the Company's project to rebuild Line #574 is needed to address aging infrastructure and maintain transmission system reliability.<sup>21</sup>

Based on the unique facts and circumstances of this case, the Commission further approves the 5-2 Structures as proposed by the Company.<sup>22</sup> Evidence supporting approval of the taller 5-2 Structures in this case includes, but is not limited to:

- System stability issues have been identified twice in the past five years due to the transmission system's configuration and the large amount of generation located on the 230 kV system in the Rebuild Projects' area;<sup>23</sup>
- Generation projects are active in the PJM queue that, if constructed, would interconnect within five buses of the Elmont and Ladysmith Stations, which together with the stability issues, lead Dominion to conclude a 230 kV line between Elmont and Ladysmith will likely be needed.<sup>24</sup>
- The earliest projected in-service date for one of these queued projects is June 2023.<sup>25</sup>
- While the identified need for upgrades could go away as PJM clears its study backlog and as projects in queue withdraw, 1,200 generation projects in the regional queues have not yet begun the study process.<sup>26</sup>
- If the Commission approves the Rebuild Project using single-circuit structures, the only options for adding a new 230 kV circuit between the Ladysmith and Elmont Stations would be: (1) to wreck and rebuild the Rebuild Project; or (2) use new ROW in an adjacent corridor.<sup>27</sup>
- Although not fully analyzed as part of the case, a 230 kV line in a new ROW would involve temporary and permanent environmental impacts.<sup>28</sup>

#### Economic Development

The Commission has considered the effect of the Rebuild Projects on economic development in the Commonwealth and finds that the Rebuild Projects will maintain transmission system reliability, thereby supporting economic development, by replacing aging transmission line infrastructure.<sup>29</sup>

#### Rights-of-Way and Routing

Dominion has adequately considered usage of existing ROW. The Rebuild Project, as proposed, would be constructed on existing ROW.<sup>30</sup>

<sup>19</sup> See Ex. 2 (Application Appendix) at 2.

<sup>20</sup> Ex. 10 (Malik Direct) at Staff Report, p.21.

<sup>21</sup> Report at 34.

<sup>22</sup> Similar requests made in the future will be reviewed on a case-by-case basis based on the record developed in those proceedings.

<sup>23</sup> Report at 28; Ex 2 (Appendix) at 5-6.

<sup>24</sup> Report at 28.

<sup>25</sup> *Id.* at 29.

<sup>26</sup> *Id.* at 32.

<sup>27</sup> *Id.* at 14.

<sup>28</sup> *Id.* at 25 n.157.

<sup>29</sup> *Id.* at 24.

<sup>30</sup> Ex. 2 (Application) at 2.

### Impact on Scenic Assets and Historic Districts

As noted above, the Rebuild Projects would be constructed on existing ROW already owned and maintained by Dominion. The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with DHR, and environment of the area concerned, as required by § 56-46.1 B of the Code, subject to the recommendations provided in the following section.

### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Rebuild Projects' impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Rebuild Projects by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild Projects. This finding is supported by the DEQ Report, as nothing therein suggests that the Rebuild Projects should not be constructed.

There are, however, recommendations in the DEQ Report for the Commission's consideration. The Company filed a response opposing five of these recommendations.

Dominion requests that the Commission reject the recommendation by the DCR to coordinate with the U.S. Fish and Wildlife Service to ensure compliance with protected species legislation along with the DWR's recommendation to coordinate with the National Oceanic and Atmospheric Administration on potential project impacts on the Atlantic sturgeon. The Company asserts that these recommendations are unnecessary as there will be no in-stream work conducted for the Rebuild Projects.<sup>31</sup> We agree with the Hearing Examiner that the above recommendations are unnecessary due to lack of instream work and that Dominion is required to obtain all necessary environmental approvals to construct the Rebuild Projects.<sup>32</sup>

Dominion requests that the Commission reject the recommendation by DCR related to the development and implementation of an invasive species management plan.<sup>33</sup> The Company asserts this recommendation is unnecessary because it "already has a comprehensive [Integrated Vegetation Management Plan] in place that addresses invasive species, the development and implementation of a separate invasive species plan, including an invasive species inventory."<sup>34</sup> The Commission agrees with the Hearing Examiner that this recommendation should be rejected.<sup>35</sup>

Dominion requests that the Commission reject DWR's recommendation for the Company to adhere to time of year restrictions while conducting significant tree removal and ground clearing activities outside of the primary songbird nesting season from March 15 through June 30 for any year.<sup>36</sup> The Commission agrees with the Hearing Examiner that this recommendation should be rejected.<sup>37</sup> The Commission finds that the Company shall conduct a survey in the event significant clearing activities are required during the primary songbird nesting season and coordinate with DWR to create appropriate construction restrictions if songbird nesting colonies are found.

Dominion requests that the Commission reject the DEQ's recommendation for the Company to consider the development of an effective EMS as unnecessarily duplicative.<sup>38</sup> The Company asserts that it "already has a comprehensive EMS Manual in place that ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in its environmental performance . . ."<sup>39</sup> We find that Dominion's existing EMS achieves the purpose of this recommendation.<sup>40</sup> The Commission agrees with the Hearing Examiner that the DEQ's recommendation for the Company to develop an EMS should be rejected.

Dominion also offered clarifications to certain DEQ recommendations. In response to the Virginia Department of Health, Office of Drinking Water ("VDH ODW") recommendation that the Company field mark wells that are within 1,000 feet of the Rebuild Project site in order to protect them from accidental damage during construction, the Company asserts that it proposed an alternative method of well protection to VDHD ODW. The Company asserts that VDH ODW found this alternative method reasonable and acceptable.<sup>41</sup>

<sup>31</sup> Ex. 14 (Stuebaker Rebuttal) at 3, 5.

<sup>32</sup> Report at 23.

<sup>33</sup> Ex. 14 (Stuebaker Rebuttal) at 3-4.

<sup>34</sup> *Id.* at 4.

<sup>35</sup> Report at 23.

<sup>36</sup> Ex. 14 (Stuebaker Rebuttal) at 6.

<sup>37</sup> Report at 23.

<sup>38</sup> Ex. 14 (Stuebaker Rebuttal) at 7.

<sup>39</sup> *Id.*

<sup>40</sup> The Commission has previously made a similar finding in prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

<sup>41</sup> Ex. 14 (Stuebaker Rebuttal) at 7-8.

Environmental Justice

The VEJA sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>42</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>43</sup>

We agree with the Hearing Examiner that the Rebuild Projects do not appear to adversely impact the goals established by the VEJA.<sup>44</sup>

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Projects as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCNs to construct and operate the Rebuild Projects is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCNs to Dominion:

Certificate No. ET-DEV-CLN-2022-A which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Caroline County, all as shown on the detailed map attached to the Certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00082; Certificate No. ET-DEV-CLN-2022-A cancels Certificate No. ET-DEV-CLN-2021-A issued to Virginia Electric and Power Company on February 11, 2021, in Case No. PUR-2020-00080.

Certificate No. ET-DEV-HAN-2022-A which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Hanover County, all as shown on the detailed map attached to the Certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00082; Certificate No. ET-DEV-HAN-2022-A cancels Certificate No. ET-851 issued to Virginia Electric and Power Company on December 22, 2014 in Case No. PUE-2014-00047.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Rebuild Project approved herein must be constructed and in service by December 31, 2025. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

<sup>42</sup> Code § 2.2-235.

<sup>43</sup> Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021 00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021).

<sup>44</sup> Report at 24.

**CASE NO. PUR-2021-00083  
MAY 13, 2022**

PETITION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause, designated Rider GT, under § 56-585.1 A 6 of the Code of Virginia

**FINAL ORDER**

On August 13, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") for approval of a rate adjustment clause ("RAC"), designated Rider GT, pursuant to § 56-585.1 A 6 ("Subsection A 6") of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Case Applications and Annual Informational Filings of Investor-Owned Electric Utilities, 20 VAC 5-204-5 *et seq.* Through its Petition, the Company seeks to recover projected and actual costs related to electric distribution grid transformation projects that the Commission has approved as part of the Company's grid transformation plan ("GT Plan").<sup>1</sup>

<sup>1</sup> Ex. 2 (Petition) at 1.

In Case Nos. PUR-2018-00100<sup>2</sup> and PUR-2019-00154,<sup>3</sup> the Commission approved Dominion's GT Plan investments related to eleven projects in years 2019, 2020, and 2021 ("Phase I").<sup>4</sup> Through its Petition, the Company seeks cost recovery for ten of these Phase I projects through a new RAC designated Rider GT.<sup>5</sup> The projects include: (1) mainfeeder hardening, (2) targeted corridor improvement, (3) voltage island mitigation, (4) hosting capacity analysis, (5) the Locks Campus Microgrid, (6) physical security, (7) the Smart Charging Infrastructure Pilot Program, (8) telecommunications, (9) cyber security, and (10) customer education.<sup>6</sup>

On September 15, 2021, the Commission entered an Order for Notice and Hearing, which, among other things: established a procedural schedule; required the Company to provide public notice of its Petition; afforded interested persons an opportunity to participate or file comments on the Company's Petition; directed Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits; scheduled a hearing to receive public witness testimony; scheduled a public evidentiary hearing; and assigned the case to a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission and file a final report.

A notice of participation was filed by the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") on December 7, 2021. On February 22, 2022, Staff filed the testimonies and exhibits of its witnesses. On March 8, 2022, the Company filed rebuttal testimony.

On March 22, 2022, a hearing was convened to receive public witness testimony on the Company's Petition.<sup>7</sup> The evidentiary portion of the hearing was held on March 23, 2022. Counsel for Dominion, Consumer Counsel, and Staff appeared at the hearing. Post-hearing briefs were subsequently filed by Dominion, Consumer Counsel, and Staff on April 19, 2022. On April 26, 2022, the Senior Hearing Examiner filed the Report of Michael D. Thomas, Senior Hearing Examiner ("Report"). On May 4, 2022, each participant in this case filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Report, as discussed herein.

The Commission has analyzed the Petition in accordance with the statutory standards applicable to this matter. In the 2018 and 2019 GT Plan Final Orders, the Commission found that each approved project qualified as "electric grid transformation project" under Code § 56-576, as amended by the Grid Transformation and Security Act ("GTSA").<sup>8</sup> The Commission further found the costs associated therewith to be reasonable and prudent up to maximum levels of investment ("cost caps"), as identified in the 2018 and 2019 GT Plan Final Orders. Accordingly, the Commission finds Dominion may recover such costs through a RAC as permitted by Subsection A 6 and that Rider GT should be approved for such recovery.

#### Incremental Costs of the Locks Campus Microgrid and Physical Security Projects

In approving the Phase I GT Plan projects, the Commission found that costs in excess of the cost caps "must be proven by Dominion in a future proceeding to be reasonable and prudent before recovery thereof from ratepayers shall be permitted."<sup>9</sup> While eight of the ten projects for which the Company seeks cost recovery through Rider GT are progressing within the previously-approved cost caps, the Company has reported that two of the ten projects—the Locks Campus Microgrid and physical security—have projected costs in excess of such cost caps.<sup>10</sup> The Company seeks approval herein of these incremental costs and for recovery through Rider GT, arguing that these two projects remain reasonable and prudent to pursue at the higher cost.<sup>11</sup>

Staff concluded that approval of the incremental costs for the Phase I Locks Campus Microgrid<sup>12</sup> and physical security<sup>13</sup> projects remains consistent with the Commission's prior determination that these projects are reasonable and prudent.<sup>14</sup> We agree. We find that the Company has proven that the projects remain reasonable and prudent with the addition of the incremental costs in excess of the cost caps. Accordingly, we find, under the facts of this case, that the incremental costs for these two projects are reasonable and prudent and therefore appropriate for recovery through Rider GT.

<sup>2</sup> *Petition of Virginia Electric and Power Company, For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2018-00100, 2019 S.C.C. Ann. Rept. 234, Final Order (Jan. 17, 2019) ("2018 GT Plan Final Order").

<sup>3</sup> *Petition of Virginia Electric and Power Company, For approval of plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia, and for approval of an addition to the terms and conditions applicable to electric service*, Case No. PUR-2019-00154, 2020 S.C.C. Ann. Rept. 318, Final Order (Mar. 26, 2020) ("2019 GT Plan Final Order").

<sup>4</sup> Ex. 2 (Petition) at 4.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* Recovery of costs associated with the eleventh project approved as part of Phase I—the customer information platform—is not being sought by the Company through this proceeding. *Id.*

<sup>7</sup> One public witness appeared at the hearing to testify. Tr. 4-5.

<sup>8</sup> 2018 Va. Acts ch. 296.

<sup>9</sup> 2019 GT Plan Final Order, 2020 S.C.C. Ann. Rept. 327.

<sup>10</sup> Ex. 2 (Petition) at 5.

<sup>11</sup> *Id.*; Ex. 3 (Johnson Direct) at 14, 16.

<sup>12</sup> The incremental costs of the Locks Campus Microgrid are approximately \$5.1 million. Ex. 3 (Johnson Direct) at Schedule 1.

<sup>13</sup> The incremental costs of the Phase I physical security project are approximately \$1.4 million. Ex. 3 (Johnson Direct) at Schedule 1; Ex. 8 (Cizenski Direct) at Attachment 1 (Company's Response to Staff Interrogatory 5-33).

<sup>14</sup> Ex. 8 (Cizenski Direct) at 7, 10.

### Cost Allocation Methodology

Two cost allocation methodologies for Rider GT were presented to the Commission in this proceeding. The Company bases its proposed cost allocation methodology on a project-specific approach, wherein each individual Rider GT project is evaluated and then weighted in accordance with the contribution of the costs of each project to the overall revenue requirement.<sup>15</sup> Staff took no position on the Company's proposal, but presented an alternative cost allocation methodology based on the premise that the GT Plan is intended to benefit the entire distribution system, in part, by enhancing reliability.<sup>16</sup>

Regarding the Company's proposed cost allocation methodology, Consumer Counsel asserted that the costs of two Phase I projects—telecommunications and cyber security—should be allocated to North Carolina customers, in addition to Virginia customers.<sup>17</sup> In support of their assertion, Consumer Counsel argues that these two projects benefit the reliability of the Company's entire distribution system; therefore, it would be more appropriate to allocate those costs to both the Company's Virginia and North Carolina customers.<sup>18</sup> In the Report, the Senior Hearing Examiner found that the Phase I telecommunications and cyber security projects were constructed to serve Virginia customers; though some North Carolina customers may benefit from GT Plan projects implemented in Virginia, this does not mean that the costs are incurred on behalf of those North Carolina customers.<sup>19</sup>

We find that the cost allocation methodology proposed by the Company is reasonable and supported by the evidence in the record.<sup>20</sup> Among other things, the Company's proposed methodology provides flexibility to accommodate the multi-project nature of the GT Plan and assign the costs associated therewith to the appropriate customer classes. We further find that, based on the record developed in this proceeding, the Company has reasonably allocated the costs of the Phase I telecommunications and cyber security projects to its Virginia customers.<sup>21</sup> We therefore approve the Company's cost allocation methodology, as proposed, for Rider GT. We note, however, that our approval of the Company's methodology in this initial Rider GT proceeding does not foreclose our consideration of an alternative cost allocation methodology in future proceedings and is without prejudice to either Staff's or Consumer Counsel's proposals. We hereby direct the Company to continue evaluating its GT Plan projects to ensure that costs continue to be appropriately allocated to Virginia customers.<sup>22</sup>

### Rate Design

The Company proposes to utilize demand billing for non-residential Rate Schedules GS-2, GS-2T, GS-3, 6, 6TS, 8, 10, and GS-4 (Primary).<sup>23</sup> The Company further proposes the use of distribution demand units for billing Rider GT for these rate schedules.<sup>24</sup> Staff did not oppose these proposals.<sup>25</sup> We approve the Company's use of demand-based billing determinants for Rate Schedules GS-2, GS-2T, GS-3, 6, 8, 10, and GS-4 (Primary).<sup>26</sup>

### Revenue Requirement

Staff and the Company agree that the Rider GT revenue requirement would be \$59.8 million if the Commission adopts the Company's cost allocation methodology, as we have done herein.<sup>27</sup> This amount would, however, exceed the amount publicly noticed by the Company of \$55.527 million for the Rate Year. We therefore will approve a revenue requirement of \$55.527 million for Rider GT for the Rate Year.

<sup>15</sup> Ex. 11 (Miller Rebuttal) at 2.

<sup>16</sup> Ex. 7 (Blevins Direct) at 10-12; Tr. 82 (Blevins). Staff asserted that its proposal more closely matches the methodology approved by the Commission for Rider U, Case No. PUE-2015-00114. Staff Post-Hearing Brief at 12-13.

<sup>17</sup> Consumer Counsel Post-Hearing Brief at 7-14.

<sup>18</sup> In this proceeding, the Company proposes to allocate the costs of one Phase I project—the hosting capacity analysis—to both Virginia and North Carolina customers. Ex. 5 (Miller Direct) at 6. Consumer Counsel argues that the telecommunications and cyber security projects should be treated similarly as these two projects will have system-wide benefits that are not limited to the Virginia side of the distribution system. Comments of Consumer Counsel at 7-8.

<sup>19</sup> Report at 20, citing Tr. at 63, 92 (Miller). The Company noted that its cost allocation proposal is based on the nature of the costs (*i.e.*, the customers on whose behalf they were incurred not the nature of the benefits).

<sup>20</sup> In making this finding, and contrary to Consumer Counsel's claim, the Commission has not shifted the burden onto Consumer Counsel but, rather, finds that the Company has met its burden in this proceeding on cost allocation issues.

<sup>21</sup> *Id.*

<sup>22</sup> As cited by Consumer Counsel, the Company, in discussing the allocation of the Phase I hosting capacity project costs in part to North Carolina customers, has represented that it "will evaluate projects each year to determine if any other projects contain costs whose recovery should include some allocation to North Carolina customers." Ex. 5 (Miller Direct) at 6.

<sup>23</sup> Ex. 5 (Miller Direct) at 16-17.

<sup>24</sup> *Id.*

<sup>25</sup> Ex. 7 (Blevins Direct) at 16-17.

<sup>26</sup> The Company also proposed to modify certain tariff language in non-residential Rate Schedules 6, 6TS, 8, and 10 to clarify the applicability of demand-based rates in distribution-related riders, such as Rider GT. Ex. 5 (Miller Direct) at 18. Staff did not oppose the approval of such revisions to these Rate Schedules. Staff Post-Hearing Brief at 15. We find that the Company's proposal to modify tariff language in Rate Schedules 6, 6TS, 8, and 10 is reasonable and should be approved.

<sup>27</sup> Ex. 10 (Lee Rebuttal) at 3; Tr. 71 (Armstrong).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

In approving this request for a RAC, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) Rider GT, with a revenue requirement in the amount of \$55.527 million, shall become effective for service rendered on and after June 1, 2022.

(2) The Company forthwith shall file the Rider GT tariff and supporting workpapers, and any other necessary tariff revisions, with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(3) On or before September 1, 2022, the Company shall file an application to revise Rider GT effective June 1, 2023.

(4) This case is dismissed.

**CASE NO. PUR-2021-00083  
MAY 19, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause, designated Rider GT, under § 56-585.1 A 6 of the Code of Virginia

**ORDER NUNC PRO TUNC**

On May 13, 2022, the Commission issued a Final Order in this matter. Among other things, page 6 of the Final Order lists specific rate schedules for which the Commission approved the Company's use of demand-based billing determinants. Due to a clerical error, Schedule 6TS was inadvertently omitted from that list of rate schedules.

Accordingly, the Commission finds the Final Order should be corrected to include Schedule 6TS in such list, *nunc pro tunc*.

Accordingly, IT IS SO ORDERED.

**CASE NO. PUR-2021-00085  
OCTOBER 7, 2022**

APPLICATION OF AXTON SOLAR, LLC

For certificates of public convenience and necessity for a nominal 201.1 megawatt solar generating facility located in Henry and Pittsylvania Counties

**FINAL ORDER**

On March 31, 2022, Axton Solar, LLC ("Axton Solar" or "Company"), filed with the State Corporation Commission ("Commission") an amended application for approval to construct and operate a nominal 201.1 megawatt ("MW") solar generating facility in Henry and Pittsylvania Counties, Virginia ("Amended Application").<sup>1</sup> Axton filed its Amended Application pursuant to §§ 56-46.1 and 56-580 D of the Code of Virginia ("Code") and the Commission's Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility.<sup>2</sup>

Axton Solar seeks to construct a solar generating facility, totaling up to 201.1 MW (the "Solar Generating Facility"). In addition, Axton Solar seeks to construct the necessary interconnection facilities ("Interconnection Facilities"), consisting of underground 34.5 kilovolt ("kV") collector lines, a collector substation ("Collector Substation"), a 138 kV switching station ("Switching Station"), and a 138 kV generation-tie line ("Gen-Tie Line") (the "Solar Generating Facility" and the "Interconnection Facilities" are collectively referred to as the "Project"). Axton Solar states that construction is scheduled to begin for the Project in January 2023, and commercial operation is anticipated in December 2023.<sup>3</sup>

<sup>1</sup> Axton Solar filed its initial application on April 28, 2021. Axton Solar subsequently amended its initial application to address certain changes in its proposal.

<sup>2</sup> 20 VAC 5-302-10 *et seq.*

<sup>3</sup> Ex. 2 (Amended Application) at Appendix 2, pp. 2-3.



According to Axton Solar, the Project would be constructed on approximately 3,000 acres in western Pittsylvania County and eastern Henry County, of which approximately 1,218 acres will be used for the Solar Generating Facility.<sup>4</sup> The Project is located in a rural area on land consisting primarily of cleared forest and timber land and agricultural land.<sup>5</sup> The Pittsylvania County portion of the Project consists of approximately 1,398 acres of privately-owned property, approximately 748 acres of which would be disturbed to develop the Project.<sup>6</sup> The Henry County portion of the Project consists of approximately 1,642 acres of privately-owned property, of which approximately 565 acres would be used for the Project.<sup>7</sup> The Project also includes right-of-way ("ROW") easements contained within the footprint of the Project which are necessary to connect the non-contiguous parcels.<sup>8</sup>

Axton Solar states that the Project will use photovoltaic ("PV") electric generation system technology producing solar energy, including inverters and an on-site Collector Substation.<sup>9</sup> The Project will have a rated generation capacity of 201.1 MW and would consist of approximately 421,652 PV modules fitted on single axis solar trackers.<sup>10</sup>

According to the Company, the Project would operate, at a minimum, for the life of a long-term power purchase agreement ("PPA").<sup>11</sup> The Company states that the initial term of the PPA for the Project is anticipated to be 15 years with additional terms possible.<sup>12</sup> The Company represents that the lifespan of the Project equipment is estimated to be 40 years.<sup>13</sup> According to Axton Solar, the Project would interconnect with the American Electric Power transmission system via a new Switching Station cut into the Axton to Danville No. 1 138 kV circuit.<sup>14</sup>

Axton Solar asserts that "there will be minimal environmental impacts associated with the Project."<sup>15</sup> Axton Solar further asserts that it "will comply with all necessary conditions imposed by the regulatory agencies with regulatory responsibilities for all environmental aspects of the Project to ensure protection of public health and the environment."<sup>16</sup>

Axton Solar asserts that, as required by § 56-580 D of the Code, the Project is not contrary to the public interest.<sup>17</sup> Further, the Company asserts that the Project will promote the public interest by providing economic benefits to Pittsylvania and Henry Counties and the surrounding area.<sup>18</sup> Axton Solar represents that the Project will have no material adverse effect on the reliability of electric service provided by any regulated public utility and that only relatively minor upgrades to the electric transmission system are required as a result of the Project.<sup>19</sup>

Axton Solar states that it is not a regulated utility, so the business risk associated with the Project will be borne solely by the Company, with no impact on the rates paid by the ratepayers in Virginia.<sup>20</sup> The Company further states that the Project will enhance the competitive market for wholesale electricity in the region by offering generation that will not be owned by an incumbent electric utility, minimize any adverse environmental impacts, and advance the goals of the Commonwealth by increasing in-state energy production to meet in-state demand with renewable generation sources.<sup>21</sup>

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<sup>4</sup> *Id.* at 2.

<sup>5</sup> Ex. 3 (Lopez Direct) at 3.

<sup>6</sup> Ex. 2 (Amended Application) at 3.

<sup>7</sup> *Id.* at 2.

<sup>8</sup> *Id.* at 4.

<sup>9</sup> *Id.* at 5.

<sup>10</sup> *Id.* at 5-6.

<sup>11</sup> *Id.* at 9.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 7.

<sup>15</sup> *Id.* at 9.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 11.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> Ex. 3 (Lopez Direct) at 8-9.

On April 15, 2022, the Senior Hearing Examiner entered a procedural ruling in this proceeding, which, among other things, directed Axton Solar to provide notice of its Amended Application, provided interested persons the opportunity to comment or participate in the proceeding, directed the Staff to investigate the Amended Application, and scheduled an evidentiary hearing. Henry County filed a notice of participation on June 7, 2022.<sup>22</sup>

Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review. On June 2, 2022, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ.<sup>23</sup> The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Recommendations regarding the Project. According to the DEQ Report, the Company should:

1. Follow DEQ's general recommendations concerning potential surface water impacts.
2. Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, as applicable.
3. Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage to obtain an update on natural heritage information if the scope of the Project changes and/or six months has passed before it is utilized and regarding its recommendations related to invasive species management, native species planting, and minimizing fragmentation.
4. Coordinate with the Department of Wildlife Resources regarding its recommendation to follow the Solar Energy Facility Guidance, as applicable, as well as the recommendations to protect the Northern Long-eared Bat species.
5. Coordinate with the Department of Historic Resources ("DHR") regarding its comments related to the Phase 1 Architectural Survey and Phase 1 Archaeological Survey, including justification for un-surveyed portions of the Project, and the need for impacts assessment on some of the identified resources.
6. Coordinate with the local Virginia Department of Transportation Residency office to develop an appropriate work zone plan for the Project.
7. Coordinate with the Department of Health regarding its recommendations to protect public drinking water sources and water utility infrastructure.
8. Contact the Virginia Outdoors Foundation, as necessary, regarding its recommendation to coordinate further if the Project area changes or if the Project does not begin within 24 months.
9. Follow the principles and practices of pollution prevention to the maximum extent practicable.
10. Limit the use of pesticides and herbicides to the extent practicable.
11. Coordinate with the Department of Forestry ("DOF") regarding its recommendation to develop specific plans to avoid, mitigate, or offset impacts on forests.<sup>24</sup>

On June 29, 2022, Staff filed the testimony of two witnesses and an accompanying Staff Report. Staff concluded that the Amended Application supports a finding that the Solar Generating Facility and the Interconnection Facilities, if constructed as proposed, would have no material adverse effect on the reliability of electric service provided by any regulated utility in the Commonwealth and are not otherwise contrary to the public interest.<sup>25</sup>

On July 11, 2022, the Company filed rebuttal testimony. In its rebuttal testimony, the Company responded to DOF's comments in the DEQ Report regarding impacts of the Project on local forests.<sup>26</sup> Axton Solar confirmed that it avoided approximately 23% of potential impacts to Very High or Outstanding Conservation Value timber by reconfiguring the Project within the boundaries and scope of the design.<sup>27</sup> The Company also addressed feedback from DHR and provided DHR with a revised Phase 1 Archaeological Survey.<sup>28</sup>

<sup>22</sup> In its notice of participation, Henry County stated, among other things, that its interest in this proceeding is to protect the health and welfare of residents and landowners in Henry County and specifically to ensure that the construction and operation of all solar dependent electrical generation facilities within the borders of Henry County are consistent with all land use ordinances, zoning ordinances, and other ordinances adopted by the Henry County Board of Supervisors and interpreted and enforced by the Henry County Planning Commission and the Henry County Board of Zoning Appeals. Henry County requests that, if any certificate of public convenience and necessity is issued, it be issued with the contingency that no facility may be constructed or operated without the issuance of, and complete compliance with, a Special Use Permit pursuant to Chapter 21 of the Henry County Code of Ordinances.

<sup>23</sup> Ex. 7 (DEQ Report).

<sup>24</sup> Ex. 7 (DEQ Report) at 5-6.

<sup>25</sup> Ex. 5 (Ricketts Direct) at 13; Ex. 6 (deLeón Direct) at Staff Report, p. 17.

<sup>26</sup> Ex. 4 (Lopez Rebuttal) at 5-7. The Company noted that it also received additional scoping comments from DOF on July 6, 2022.

<sup>27</sup> *Id.* Axton Solar also confirmed that it will maintain existing vegetation that provides buffering for the reconfigured Project and stated that it will plant additional buffer to screen the Project. *Id.* at 7.

<sup>28</sup> *Id.* at 8-9.

ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Senior Hearing Examiner convened the evidentiary hearing on August 2, 2022.<sup>29</sup> Axton Solar and Staff participated at the hearing.<sup>30</sup> The Commission received eight written comments concerning the Amended Application. At the hearing, the Company addressed concerns raised in written comments and confirmed, among other things, that the Company is working with Henry and Pittsylvania Counties regarding permitting and decommissioning plans.<sup>31</sup>

On August 22, 2022, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") was issued. In his Report, the Senior Hearing Examiner recommended that the Commission authorize the Company to construct and operate the Project, subject to the findings, recommendations, and conditions included in the Report. The Senior Hearing Examiner specifically recommends that the Commission should issue three certificates of public convenience and necessity ("CPCN") for the Project, which should include: a CPCN for the Solar Generating Facility; a CPCN for the 34.5 kV collector lines; and a CPCN for the Collector Substation, 138 kV Gen-Tie Line, and the Switching Station.<sup>32</sup>

Axton Solar and Staff filed comments supporting the findings and recommendations set forth in the Report.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows:

Code of Virginia

Section 56-580 D of the Code provides in part:

The Commission shall permit the construction and operation of electrical generating facilities in Virginia upon a finding that such generating facility and associated facilities (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility, . . . and (iii) are not otherwise contrary to the public interest.

Further, with regard to generating facilities, § 56-580 D of the Code directs that "the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1 . . . ." Section 56-46.1 A of the Code provides in part:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact. . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted pursuant to Article 3 (§ 15.2-2223 et seq.) of Chapter 22 of Title 15.2.

Subsection 56-46.1 A also provides:

In order to avoid duplication of governmental activities, any valid permit or approval required for an electric generating plant and associated facilities issued or granted by a federal, state or local governmental entity charged by law with responsibility for issuing permits or approvals regulating environmental impact and mitigation of adverse environmental impact or for other specific public interest issues such as building codes, transportation plans, and public safety, whether such permit or approval is granted prior to or after the Commission's decision, shall be deemed to satisfy the requirements of this section with respect to all matters that (i) are governed by the permit or approval or (ii) are within the authority of, and were considered by, the governmental entity in issuing such permit or approval, and the Commission shall impose no additional conditions with respect to such matters.

Section 56-580 D of the Code contains language that is nearly identical to the language set forth in Code § 56-46.1 A.

The Code also directs the Commission to consider the effect of a proposed project on economic development in Virginia. Section 56-46.1 A of the Code states in part:

Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Similarly, § 56-596 A of the Code provides that "[i]n all relevant proceedings pursuant to [the Virginia Electric Utility Regulation] Act, the Commission shall take into consideration, among other things, the goal of economic development in the Commonwealth."

As relates to transmission facilities, Section 56-46.1 B of the Code states in part:

[N]o electrical transmission line of 138 kilovolts or more shall be constructed unless the State Corporation Commission shall, after at least 30 days' advance notice by (i) publication in a newspaper or newspapers of general circulation in the counties and municipalities through which the line is proposed to be built, (ii) written notice to the governing body of each

<sup>29</sup> The public witness hearing scheduled for August 1, 2022, was cancelled because no one signed up to testify.  
<sup>30</sup> The Senior Hearing Examiner excused Henry County from participating at the hearing at the County's request. Tr. 7.  
<sup>31</sup> Axton Solar also presented testimony at the hearing to answer additional questions from the Senior Hearing Examiner.  
<sup>32</sup> Report at 1, n.1 and 25.

such county and municipality, and (iii) causing to be sent a copy of the notice by first class mail to all owners of property within the route of the proposed line, as indicated on the map or sketch of the route filed with the Commission, which requirement shall be satisfied by mailing the notice to such persons at such addresses as are indicated in the land books maintained by the commissioner of revenue, director of finance or treasurer of the county or municipality, approve such line. Such notices shall include a written description of the proposed route the line is to follow, as well as a map or sketch of the route including a digital geographic information system (GIS) map provided by the public utility showing the location of the proposed route. The Commission shall make GIS maps provided under this subsection available to the public on the Commission's website.

As a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned.

In addition, Code § 56-265.2 A provides in part:

[I]t shall be unlawful for any public utility to construct, enlarge or acquire, by lease or otherwise, any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege . . . . The certificate for overhead electrical transmission lines of 138 kilovolts or more shall be issued by the Commission only after compliance with the provisions of § 56-46.1.

#### Reliability

We agree with the Senior Hearing Examiner and find that this Project will have no material adverse effect on the reliability of electric service provided by any regulated utility in Virginia.<sup>33</sup> The Senior Hearing Examiner noted that the Project has undergone an electric reliability analysis under PJM's<sup>34</sup> process for generator interconnection to interconnect with PJM's and Appalachian Power Company's transmission systems.<sup>35</sup> The Company included with its Amended Application the PJM Generation Interconnection System Impact Study Report showing that the Project would have no material adverse effect upon the reliability of electric service provided by a regulated utility, contingent upon the construction of the identified upgrades.<sup>36</sup> We therefore condition the three CPCNs granted to Axton Solar herein on the Company's payment of the cost of the required upgrades.

#### Rights-of-Way/Routing

The Project includes ROW easements contained within the footprint of the Project which are necessary to connect the non-contiguous parcels.<sup>37</sup> We agree with the Senior Hearing Examiner that the record supports, among other things, a finding that: (i) the Gen-Tie Line is needed to connect the Collector Substation with the Switching Station; (ii) the Gen-Tie Line will be approximately 0.01-mile in length and will run directly between the Collector Substation and the Switching Station; (iii) the Gen-Tie Line will cross a parcel of land that is subject to an existing purchase option, as well as an easement for the entire ROW; and (iv) the Gen-Tie Line likely will not have a material adverse impact on any scenic assets, historic resources, or the environment.<sup>38</sup>

#### Economic Development

We further agree with the Senior Hearing Examiner and find that the Project will have a positive impact on economic development in Henry and Pittsylvania Counties, and the Commonwealth generally.<sup>39</sup> The Project is estimated to create approximately 350 temporary construction jobs in Henry and Pittsylvania Counties, and the surrounding area, and is anticipated to support 1 to 3 full time jobs once the Project is operational.<sup>40</sup> In addition, the Project will result in direct and indirect spending from local merchants and will increase the tax base in Henry and Pittsylvania Counties and the Commonwealth.<sup>41</sup>

<sup>33</sup> Report at 19.

<sup>34</sup> PJM Interconnection, LLC.

<sup>35</sup> Report at 18. As part of the PJM interconnection process, electric reliability studies were performed to analyze the impact of the Project on the PJM system and to identify required upgrades that would mitigate any potential adverse impacts related to the interconnection. *Id.* Under PJM's Open Access Transmission Tariff, Axton Solar is obligated to pay the full cost of any required upgrades. *Id.*; Ex. 6 (deLeón Direct) at Staff Report, p. 12.

<sup>36</sup> Ex. 2 (Amended Application) at Exhibit E.

<sup>37</sup> *Id.* at 4; Ex. 6 (deLeón Direct) at Staff Report, p. 9.

<sup>38</sup> Report at 19-20.

<sup>39</sup> *Id.* at 20.

<sup>40</sup> See Ex. 3 (Lopez Direct) at 7; Report at 20.

<sup>41</sup> Report at 20.

### Environmental Impact

The statutes direct that the Commission "shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact."<sup>42</sup> As noted above, DEQ coordinated an environmental review of the Project and submitted a DEQ Report that, among other things, sets forth recommendations for the Project.<sup>43</sup>

We agree with the Senior Hearing Examiner that Axton Solar reasonably responded to the comments of DOF and DHR included in the DEQ Report.<sup>44</sup> We further agree that the 11 recommendations included in the DEQ Report should be included as conditions in the CPCNs issued, and also that the Company should be required to obtain all environmental permits and approvals that are necessary to construct and operate the Project.<sup>45</sup> Accordingly, the CPCNs granted herein are conditioned upon Axton Solar obtaining all such permits and approvals.

### Local Permits

We agree with the Senior Hearing Examiner that the Company should be required to obtain from Henry County any Special Use Permit required for the entire Project area located in that County pursuant to Chapter 21 of the Henry County Code of Ordinances.<sup>46</sup> The CPCNs granted herein are conditioned on the Company obtaining all necessary permits, including any such permit required by Henry County.

### Environmental Justice

The Company submitted an Environmental Justice Project Review with its Amended Application.<sup>47</sup> The analysis concluded that the Project is not anticipated to have any significant impact on low-income communities, fenceline communities, and/or communities of color near the Project area.<sup>48</sup> We agree with the Senior Hearing Examiner that the Company reasonably considered the requirements of the Virginia Environmental Justice Act<sup>49</sup> in its Amended Application.<sup>50</sup>

### Public Interest

We agree with the Senior Hearing Examiner and find that the Solar Generating Facility and Interconnection Facilities are not otherwise contrary to the public interest, provided that the conditions identified by the Senior Hearing Examiner are placed on the CPCNs granted.<sup>51</sup>

Among other things, the record in this case establishes that: (i) the Project will provide economic benefits to Henry and Pittsylvania Counties and the surrounding area in terms of temporary and permanent employment, increased local property taxes, and increasing the overall tax base in the Commonwealth; (ii) the Project requires no additional fuel or fuel transportation; (iii) the Project will be constructed and operated in a manner that minimizes any adverse environmental impact; (iv) Axton Solar bears the entire business risk for developing and operating the Project; (v) the Project will enhance the competitive market for wholesale electricity in Virginia by offering generation that is not owned by an incumbent electric utility; (vi) the Project promotes the goals set out in the Virginia Energy Plan and Virginia Clean Economy Act; (vii) the Project can help reduce Virginia's reliance on imported energy while achieving growth in renewable generation; and (viii) the Project may attract other business development in Virginia.<sup>52</sup>

### Sunset Provision

The Senior Hearing Examiner recommended, and we agree, that Axton Solar's CPCNs should be conditioned on a five-year sunset provision.<sup>53</sup> Consequently, the CPCNs granted herein shall expire five years from the date of this Final Order if Project construction has not commenced.<sup>54</sup> Axton Solar may subsequently petition the Commission for an extension of this sunset provision for good cause shown.

<sup>42</sup> Code § 56-46.1 A. *See also* Code § 56-580 D (stating that "the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1 . . .").

<sup>43</sup> Ex. 7 (DEQ Report) at 5-6.

<sup>44</sup> Report at 24.

<sup>45</sup> *Id.* at 24-25. Axton Solar also noted its support for the Senior Hearing Examiner's recommendation that Axton be required to obtain all necessary environmental permits and approvals. Comments of Axton Solar, LLC on the Hearing Examiner's Report at 1-2.

<sup>46</sup> Report at 25.

<sup>47</sup> Ex. 2 (Amended Application) at Exhibit D, pp. 116-53.

<sup>48</sup> *Id.* at p. 33; Report at 22-23.

<sup>49</sup> Code § 2.2-234 *et seq.*

<sup>50</sup> *See* Report at 23.

<sup>51</sup> *Id.* at 19, 24-25.

<sup>52</sup> *Id.* at 19; Ex. 2 (Amended Application) at Appendix 1, pp. 8-9; Ex. 3 (Lopez Direct) at 8-9; Ex. 5 (Ricketts Direct) at 12-13.

<sup>53</sup> Report at 23-24, 25. Staff recommended that a sunset provision of five years from the date of a final order be attached to any CPCN issued in this case. Ex. 5 (Ricketts Direct) at 13-14. Axton Solar did not object to a five-year sunset provision. Ex. 4 (Lopez Rebuttal) at 3-4.

<sup>54</sup> Report at 23-24, 25.

Accordingly, IT IS ORDERED THAT:

(1) Subject to the findings and requirements set forth in this Final Order, Axton Solar is granted the following CPCNs to construct and operate the Project:

- Axton Solar, LLC: Generation Certificate No. EG-AXTN-HRY/PIT-2022-A
- Axton Solar, LLC: Distribution Certificate No. ED-AXTN-HRY/PIT-2022-A
- Axton Solar, LLC: Transmission Certificate No. ET-AXTN-HRY/PIT-2022-A

(2) The Company shall forthwith work with Staff to file electronic maps of the Solar Generating Facility and Interconnection Facilities for certification. The electronic maps shall include the boundaries of the Solar Generating Facility; the utility point of interconnection; county designations; geographic identifiers (road names, waterways, etc.); and the Global Positioning System coordinates of the Solar Generating Facility. The electronic maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, by email at mike.cizenski@scc.virginia.gov.

(3) The Company shall file copies of all Project-related Construction Service Agreements and Interconnection Service Agreements with the Commission within 60 days after execution of such agreements.

(4) The Company shall file for amended CPCNs from the Commission if there is a change in the proposed route of the Interconnection Facilities.

(5) Should the Company experience any changes in corporate ownership prior to the commercial operations date of the Project, it shall advise the Commission's Division of Public Utility Regulation forthwith.

(6) This case is dismissed.

**CASE NO. PUR-2021-00090  
APRIL 15, 2022**

PETITION OF

VIRGINIA-AMERICAN WATER COMPANY

For authority to acquire utility assets at fair market value pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq.* and 20 VAC 5-210-10 *et eq.* and for a Certificate of Public Convenience and Necessity pursuant to the Utility Facilities Act, Va. Code § 56-265.3

**FINAL ORDER**

On June 24, 2021, Virginia-American Water Company ("VAWC" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition")<sup>1</sup> (i) for authority to acquire utility assets at fair market value ("FMV") pursuant to the Utility Transfers Act<sup>2</sup> and the Commission's Rules for Water or Wastewater Utility Applications Seeking Fair Valuation of Acquisitions of Municipal Water or Wastewater Systems,<sup>3</sup> and (ii) for amendment of VAWC's certificate of public convenience and necessity ("CPCN") pursuant to Code § 56-265.3.<sup>4</sup>

Through its Petition, the Company seeks to purchase the Town of Waverly's ("Waverly") water system ("Waverly System") for the lesser of \$2.5 million or the FMV, so long as the FMV is more than \$1.9 million.<sup>5</sup> Per VAWC, upon approval by the Commission, the Company will "acquire substantially all of the assets that constitute or are used in furtherance of the water treatment facilities and distribution system owned and operated by [Waverly]."<sup>6</sup>

According to the Petition, the Waverly System is old, in need of repair and, as a result of various expansions, has a number of dead-end lines which have created reliability problems.<sup>7</sup> VAWC states that the Company (including its predecessors) has over 100 years of water system operation experience<sup>8</sup> and can provide, among other things, water research and compliance efforts, dedicated enterprise-wide water quality teams, customer service, and around-the-clock emergency response seven days a week.<sup>9</sup>

<sup>1</sup> The "Petition," as used herein, encompasses the Company's supplements filed July 28 and August 10, 2021, as discussed further *infra*.

<sup>2</sup> Section 56-88 *et seq.* of the Code of Virginia ("Code").

<sup>3</sup> 20 VAC 5-210-10 *et seq.* ("FMV Rules").

<sup>4</sup> Ex. 2 (Petition) at 1.

<sup>5</sup> *Id.* at 5.

<sup>6</sup> *Id.* at 1.

<sup>7</sup> *Id.* at 2-3.

<sup>8</sup> *Id.* at 3.

<sup>9</sup> *Id.* at 3-4.

VAWC states that all of the assets that constitute the Waverly System are currently used and useful and are intended to remain that way following the Company's acquisition.<sup>10</sup> The Asset Purchase Agreement dictates that VAWC will purchase the Waverly System assets at the lesser of \$2.5 million or the FMV of the water system as determined under Virginia law and the FMV Rules,<sup>11</sup> so long as the FMV of the system is more than \$1.9 million.<sup>12</sup> VAWC requests that the Commission determine that the Company's initial rate base for the acquired water system be set as prescribed in 20 VAC 5-210-30 B.<sup>13</sup> The Company also states that VAWC will maintain the current rates for Waverly's legacy customers' water service for two years, after which the Company anticipates proposing to move rates for the Waverly System toward the Company's Hopewell District consolidated rate structure.<sup>14</sup> VAWC currently estimates rates for Waverly customers are anticipated to increase approximately 30% for most customers over the five-year period following closing of the transaction.<sup>15</sup>

In addition to VAWC's asset transfer request pursuant to Code § 56-89,<sup>16</sup> the Company requests amendment of its CPCN, Certificate No. W-328, pursuant to Code § 56-265.3 D, to include the Waverly System.<sup>17</sup>

On July 8, 2021, the Commission's Staff ("Staff") filed in this docket a Deficiency Letter pursuant to FMV Rule 20 C, notifying VAWC of numerous deficiencies in the Company's filing.<sup>18</sup> On July 28 and August 10, 2021, VAWC supplemented its Petition. On August 11, 2021, the Staff filed a Response Letter notifying the Company that the supplements cured the previously identified deficiencies and that the Staff considered the Company's case to now be filed pursuant to the FMV Rules.

On August 25, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Petition; scheduled a public hearing on the Petition; required VAWC to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.<sup>19</sup>

The Commission did not receive any written comments in this case. On November 5, 2021, Aqua Virginia, Inc. ("Aqua"), filed the Motion of Aqua Virginia, Inc., to Accept Late-Filed Notice of Participation and accompanying Notice of Participation.<sup>20</sup> No other notices of participation were filed. On January 11, 2022, Staff filed testimony. On February 1, 2022, the Company filed rebuttal testimony.

On February 17, 2022, VAWC and Staff filed a Joint Motion to Accept Stipulation ("Joint Motion") with an attached Stipulation. Aqua, the only respondent in the case, was not a signatory to the Stipulation, but did not object to the Stipulation.<sup>21</sup> The proposed Stipulation provided in relevant part that:

- (1) The record supports approval of [VAWC's] acquisition of the [Waverly System] pursuant to Chapter 5 of Title 56 of the Code of Virginia.
- (2) [VAWC] and the Staff stipulate to a [FMV] of the Waverly System of \$2,150,000. Such resolution shall have no precedential value with regard to the weighting of appraisals.
- (3) The rate base for the Waverly System will consist of the FMV stipulated to in Paragraph (2) plus the final costs, as provided in 20VAC5-210-30 B, incurred in connection with the acquisition of the Waverly System. To the extent the final purchase price paid by [VAWC] for the Waverly System exceeds the FMV stipulated to in Paragraph (2), any additional amount paid above such FMV will not be included in rate base.
- (4) AWC, Commission Staff and other interested stakeholders will hold a roundtable to discuss, without limitation: (1) the inclusion of any cost studies, including Replacement Cost New Less Depreciation studies, and how they will be presented in future FMV applications; and (2) the number of customers (and how a customer is defined) that will result in the applicant utilizing separate consultants for the required engineering report and appraisal.

<sup>10</sup> *Id.* at 4. VAWC notes that only Well No. 1, which was previously decommissioned in place, will not be used by the Company, and no value has been assigned to Well No. 1 in the transaction. *Id.*

<sup>11</sup> Code § 56-90.2 ("FMV Statute") and 20 VAC 5-210-10 *et seq.*

<sup>12</sup> Ex. 2 (Petition) at 5.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 6, Attached Exhibit B at 2.

<sup>15</sup> *Id.*, Attached Exhibit B at 2-3.

<sup>16</sup> *Id.* at 6.

<sup>17</sup> *Id.* at 7

<sup>18</sup> Per 20 VAC 5-210-20 C, "An application filed pursuant to this chapter shall not be deemed filed pursuant to Chapter 5 (§ 56-88 *et seq.*) of Title 56 of the Code of Virginia unless it is in full compliance with this chapter."

<sup>19</sup> VAWC filed Proof of Service on October 15, 2021.

<sup>20</sup> Aqua's Motion was subsequently granted by the Chief Hearing Examiner. Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report") at 2.

<sup>21</sup> Report at 20; Tr. 9-11.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- (5) [VAWC] will charge all unmetered jurisdictional customers served by the Waverly System the applicable minimum charge under the Town's current rates until such time as a meter is installed for that customer.
- (6) [VAWC] will include any unmetered non-jurisdictional customers in future jurisdictional cost of service studies.
- (7) [VAWC] will discontinue both the fixed and volumetric out-of-town premiums as of the date of transfer.
- (8) It is in the public interest to amend [VAWC's] Certificate of Public Convenience and Necessity No. W-328 to include the Waverly System.
- (9) The Stipulating Participants agree this Stipulation represents a compromise for purposes of settlement of this case and for resolution of the issues raised in this proceeding and has no precedential effect to any party's position in future cases. None of the signatories to this Stipulation necessarily agree with the treatment of any particular item, any procedure followed, or the resolution of any particular issue in agreement to this Stipulation other than as specified herein, except that the Stipulating Participants agree that the resolution of the issues herein, taken as a whole, and the disposition of all other matters set forth in this Stipulation are in the public interest. This Stipulation is conditioned upon and subject to acceptance by the Commission and is non-severable and of no force and may not be used for any other purpose unless accepted in its entirety by the Commission. .<sup>22</sup>

On February 22, 2022, the Chief Hearing Examiner convened an evidentiary hearing, as scheduled, by virtual means, due to the ongoing public health issues related to the spread of the coronavirus, or COVID-19, with no party present in the Commission's courtroom. The Company, Aqua, and Staff participated in the evidentiary hearing. No public witnesses appeared to testify at the hearing.<sup>23</sup>

On March 3, 2022, the Chief Hearing Examiner filed his Report in this matter. In his Report, the Chief Hearing Examiner found that, based on the resolution of issues by stipulation and the lack of any objection thereto, the Joint Motion to Accept Stipulation should be granted, and the Stipulation should be approved by the Commission.<sup>24</sup> Accordingly, the Chief Hearing Examiner recommended that the Commission enter an Order that adopts the findings in the Report and dismisses the case.<sup>25</sup>

On March 10, 2022, VAWC filed its letter serving as comments to the Report supporting the recommendation to approve the Stipulation and requesting the Commission issue an order in this proceeding expeditiously to provide the Company the necessary approvals so that it may proceed with the acquisition of the Waverly water system as soon as possible.<sup>26</sup>

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the findings and recommendations of the Chief Hearing Examiner should be adopted. Subject to the requirements of the Stipulation, we find that the proposed transfer meets the statutory standard under the Utility Transfers Act and the FMV Statute, consistent with the provisions of the FMV Rules. We further find that the Stipulation is just, reasonable and in the public interest, and should be approved.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations set forth in the Report are hereby adopted.
- (2) The Stipulation is hereby approved.
- (3) Pursuant to Code §§ 56-89, 56-90.2 and 56-265.3, and subject to each of the requirements outlined in the Stipulation, VAWC is hereby granted approval of the transfer of all of Waverly's assets required to provide water production and distribution service in and around the Town of Waverly, Sussex County, Virginia.
- (4) VAWC's Certificate No. W-328, which authorizes VAWC to operate in the Cities of Hopewell and Alexandria, the Counties of Essex, King William, Northumberland, Lancaster, Prince William, and Westmoreland, and portions of Prince George County, Virginia is hereby cancelled.
- (5) VAWC is granted an amended certificate (Certificate No. W-328a) authorizing it to operate in the Town of Waverly, Virginia, in addition to the Cities of Hopewell and Alexandria, the Counties of Essex, King William, Northumberland, Lancaster, Prince William, and Westmoreland, and portions of Prince George County, Virginia, subject to the provisions of this Order and all applicable provisions of the Code.
- (6) To the extent not already in place, VAWC shall obtain and maintain all permits, certifications, and licenses to operate the Wavery System, including permits from the Virginia Department of Health and the Virginia Department of Environmental Quality.
- (7) Within ninety (90) days of completing the transfer of assets, VAWC shall file a Report of Action with the Commission, including the date of the transfer and the actual total consideration (including the purchase price and a list of the assumed liabilities, if any).
- (8) In such Report of Action, VAWC shall provide a list by account and amount reflecting: (1) the allocation of the FMV; (2) final costs, as provided in 20 VAC 5-210-30-B, incurred in connection with the acquisition of the Waverly System; and (3) amounts paid in excess of FMV.

<sup>22</sup> Ex. 13 (Stipulation) at 1-3.

<sup>23</sup> Report at 2.

<sup>24</sup> Report at 25.

<sup>25</sup> *Id.*

<sup>26</sup> VAWC letter dated March 10, 2022, at 1.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(9) The Commission's asset and certification transfer approvals are contingent upon the closure of the Wavery Water System sale pursuant to the terms and conditions ("Terms") of the agreement reviewed by this Commission and the resulting Stipulation thereon. No changes to the Terms shall be made before or at closing, without prior Commission approval.

(10) VAWC shall file a map to include the Town of Waverly, in Sussex County, Virginia with the Commission's Division of Public Utility Regulation within thirty (30) days from the date of this Final Order.

(11) This case is dismissed.

**CASE NO. PUR-2021-00090  
MAY 5, 2022**

PETITION OF  
VIRGINIA-AMERICAN WATER COMPANY

For authority to acquire utility assets at fair market value pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq.* and 20 VAC 5-210-10 *et seq.* and for a Certificate of Public Convenience and Necessity pursuant to the Utility Facilities Act, Va. Code § 56-265.3

**ORDER GRANTING RECONSIDERATION**

On April 15, 2022, the State Corporation Commission ("Commission") issued a Final Order in this docket. On May 2, 2022, the Company filed a Request for Clarification, Approval, and Expedited Consideration ("Request").<sup>1</sup>

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Request. The Final Order is hereby suspended pending the Commission's consideration of the Request.

Accordingly, IT IS ORDERED THAT:

- (1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the Request.
- (2) Pending the Commission's reconsideration, the Final Order is suspended.
- (3) This matter is continued generally.

<sup>1</sup> Though labeled a "request" and filed pursuant to 5 VAC 5-20-110, the Request asks the Commission to clarify its Final Order, or, alternatively, to grant additional approvals. Request at 3-4. Accordingly, the Commission will treat the "request" as a "petition" pursuant to 5 VAC 5-20-220.

**CASE NO. PUR-2021-00090  
MAY 10, 2022**

PETITION OF  
VIRGINIA-AMERICAN WATER COMPANY

For authority to acquire utility assets at fair market value pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq.* and 20 VAC 5-210-10 *et seq.* and for a Certificate of Public Convenience and Necessity pursuant to the Utility Facilities Act, Va. Code § 56-265.3

**CLARIFYING AND CORRECTING ORDER**

On April 15, 2022, the State Corporation Commission ("Commission") issued a Final Order in this case approving the application of Virginia-American Water Company ("VAWC" or "Company") to acquire utility assets at fair market value ("FMV") pursuant to Code § 56-88 *et seq.*, subject to a Stipulation filed herein and certain conditions set forth in the Final Order. On May 2, 2022, the Company filed a Request for Clarification, Approval and Expedited Consideration ("Request"). On May 5, 2022, the Commission issued an Order Granting Reconsideration for the purpose of maintaining jurisdiction over this matter and suspended the Final Order.

The Request seeks, among other things, clarification that the Final Order "allows the Company to proceed with the acquisition of the water system of the Town of Waverly ("Waverly System") as contemplated in the Stipulation without seeking additional Commission approval of amendments to the Asset Purchase Agreement ("APA") between [VAWC] and the Town of Waverly ("Waverly") . . . that may be required to close the transaction."<sup>1</sup> In support of its Request, VAWC notes that Ordering Paragraph (9) of the Final Order states in part that "[n]o changes to the Terms [of the APA] shall be made before or at closing, without prior Commission approval."<sup>2</sup> VAWC explains that the Stipulation agreed to a FMV for the Waverly System of \$2,150,000.<sup>3</sup> In addition, VAWC states that under the Stipulation, the rate base for the Waverly System would consist of the stipulated FMV plus the final costs, as provided in 20VAC5-210-30 B, and that "[t]o the extent the final purchase price paid by [VAWC] for the Waverly System exceeds the FMV stipulated . . . any additional amount paid above such FMV will not be included in rate base."<sup>4</sup>

According to the Company, in order to finalize and close on the APA, amendments to the consideration term will be necessary to permit the final purchase price to exceed the FMV agreed to in the Stipulation for purposes of resolving this proceeding.<sup>5</sup> Although the difference between the final purchase price and the stipulated FMV was contemplated in the Stipulation and approved in the Final Order without change,<sup>6</sup> in light of the Ordering Paragraph (9) restrictions on APA changes, VAWC seeks clarification that it can make the necessary amendments to the APA's consideration term.<sup>7</sup>

VAWC further requests clarification that it can make any other "non-material" changes that may become necessary without requesting additional approval from the Commission.<sup>8</sup> To this end and after consultation with Commission Staff ("Staff"), VAWC has proposed that the Company provide Staff, up to three business days prior to closing, the opportunity to review any additional amendments to the APA, and should such amendments raise no objection with Staff, the Company would then be permitted to make these amendments and proceed to closing without further review by the Commission.<sup>9</sup> Should Staff have concerns with any such proposed amendments, the parties would provide the amendments to the Commission for consideration.<sup>10</sup>

The Request represents that Staff does not oppose the relief set forth in the Request and that Aqua Virginia takes no position on the Request.<sup>11</sup>

It has further come to the attention of the Commission that Ordering Paragraph (5) of the Final Order, which describes VAWC's amended certificated area should be corrected to include reference to VAWC's provision of service to customers of the Waverly System in Sussex County.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Request should be granted and that Ordering Paragraphs (5) and (9) should be clarified and corrected as set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Ordering Paragraph (5) of the Final Order is removed and replaced with the following:

VAWC is granted an amended certificate (Certificate No. W-328a) authorizing it to operate and furnish water service in the Town of Waverly and portions of Sussex County, Virginia, in addition to the Cities of Hopewell and Alexandria, the Counties of Essex, King William, Northumberland, Lancaster, Prince William, Westmoreland, and portions of Prince George County, Virginia, subject to the provisions of this Order and all applicable provisions of the Code.

(2) Ordering Paragraph (9) of the Final Order is removed and replaced with the following:

The Commission's asset and certification transfer approvals are contingent upon the closure of the Waverly Water System sale pursuant to the terms and conditions ("Terms") of the agreement reviewed by this Commission and the resulting Stipulation thereon. No changes to the Terms shall be made before or at closing, without prior Commission approval, other than amendments to the consideration term necessary to permit the final purchase price to exceed the FMV agreed to in the Stipulation. As provided in the Stipulation, however, such excess shall not be included in VAWC's rate base.

In addition, to the extent that non-material changes to the Terms become necessary prior to closing, VAWC shall provide Staff, up to three (3) business days prior to closing, the opportunity to review any proposed amendments to the APA. Should Staff have concerns with any such proposed amendments, VAWC shall seek Commission approval of the amendments. VAWC shall include an itemized list of all APA changes in the Report of Action required by Ordering Paragraph (8) of the Commission's Final Order.

<sup>1</sup> Request at 1.

<sup>2</sup> *Id.* at 2; Final Order at 8.

<sup>3</sup> Request at 2.

<sup>4</sup> *Id.* at 3.

<sup>5</sup> *Id.*

<sup>6</sup> Final Order at 6.

<sup>7</sup> See First Amendment to the Asset Purchase Agreement, Attachment 1 to the Request.

<sup>8</sup> Request at 3-4.

<sup>9</sup> *Id.* at 4.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 5.

- (3) All other provisions of the Final Order shall remain in full force and effect.
- (4) The Final Order is no longer suspended.
- (5) This case is dismissed.

**CASE NO. PUR-2021-00093  
NOVEMBER 29, 2022**

APPLICATION OF  
MASSANUTTEN PUBLIC SERVICE CORPORATION

CASE NO. PUR-2021-00093

Annual Informational Filing for 2020

APPLICATION OF  
MASSANUTTEN PUBLIC SERVICE CORPORATION

CASE NO. PUR-2022-00069

Annual Informational Filing for 2021

**FINAL ORDER**

On February 1, 2022, Massanutten Public Service Corporation ("Massanutten" or "Company") filed its Annual Informational Filing ("AIF") for the test year ending December 31, 2020 ("2020 AIF").<sup>1</sup> On May 3, 2022, Massanutten filed its AIF for the test year ending December 31, 2021 ("2021 AIF").

On July 21, 2022, the Staff of the Commission ("Staff") filed its Report ("Staff Report") on Massanutten's 2020 and 2021 AIFs. The Staff Report states that the Company's Schedule 15 reflects regulatory assets totaling \$6,778 in its 2020 AIF, and \$37,666 in its 2021 AIF, all of which relate to COVID-19 cost deferrals.<sup>2</sup> Because the Company has a regulatory asset on the books, Staff conducted its own earnings test analysis. With respect to the 2020 AIF, Staff found that the Company's earnings test returns on equity ("ROE") were below the 9.25% authorized ROE benchmark for each of water and sewer operations. Accordingly, Staff does not recommend a write-off of the of the COVID-19 regulatory asset as part of the 2020 AIF.<sup>3</sup>

With respect to the 2021 AIF, Staff's analysis showed the Company's 2021 earnings test ROE was 16.06% for the sewer operations, which is above the 9.25% benchmark ROE. Staff recommends write-off of the full \$18,601 COVID-19 regulatory asset associated with the sewer operations.<sup>4</sup> According to Staff, after such write-off, the earned ROE is 15.56% for the sewer operations.<sup>5</sup> Based on Staff's analysis, the Company's 2021 earnings test ROE for the water operations was below 9.25% and the Staff recommends no write-off of the COVID-19 regulatory asset associated with the water operations.<sup>6</sup> Other than the write-off of the COVID-19 regulatory asset associated with the sewer operations, Staff recommends no additional action regarding rates at this time.<sup>7</sup>

On September 19, 2022, Massanutten filed a response to the Staff Report opposing Staff's recommended write-off.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Massanutten shall write off the \$18,601 COVID-19 regulatory asset associated with the sewer operations as recommended in the Staff Report. The Commission has previously explained that:

A regulatory asset is a deferral of a current period cost amortized over an extended period of time for ratemaking and booking purposes. Generally, a prudently incurred cost may be deferred and amortized only when a regulated entity incurs unusually large or nonrecurring costs that could cause the company's financial results to be materially and negatively affected if such costs were currently expensed. The Commission applies the earnings test to determine whether regulatory assets have been recovered more quickly than anticipated or whether they should continue to be deferred and amortized on a company's books.<sup>8</sup>

<sup>1</sup> Massanutten originally submitted its 2020 AIF on May 7, 2021, but subsequently filed a motion requesting a stay of consideration of its 2020 AIF in light of a rate case pending at that time, which was granted by the Commission. Order Granting Motion for Stay (May 28, 2021). *See also Application of Massanutten Public Service Corporation, For an expedited increase in water and sewer rates*, Case No. PUR-2020-00039, 2021 S.C.C. Ann. Rept. 196, Final Order (Nov. 3, 2021).

<sup>2</sup> Staff Report at 5.

<sup>3</sup> *Id.* at 10.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Application of Roanoke Gas Company, For an annual informational filing*, Case No. PUE990881, 2000 S.C.C. Ann. Rept. 484, 485, Final Order (July 12, 2000).

We agree with Staff that the Company's going-forward adjustments are not appropriate in a historical earnings test analysis and reject the Company's arguments to the contrary.<sup>9</sup> Adjustments in an earnings test are generally limited and typically made for the purpose of stating per books test year results on a regulatory basis.<sup>10</sup>

Accordingly, IT IS ORDERED THAT:

(1) Massanutten shall write off the \$18,601 COVID-19 regulatory asset as of the end of the 2021 AIF associated with the sewer operations as recommended in the Staff Report.

(2) These matters are dismissed.

<sup>9</sup> Staff Report at 9; Massanutten Comments at 2-3.

<sup>10</sup> See, e.g., 20 VAC 5-201-95, Schedules 9, 11, 12, and 14 of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Gas and Water Utilities, 20 VAC 5-201-10 *et seq.*; 20 VAC 5-201-90, Instructions for Schedule 16: Detail of Regulatory Accounting Adjustments ("Each regulatory accounting adjustment shall be fully explained in the description column of this schedule. Regulatory accounting adjustments shall adjust from a financial accounting basis to a regulatory accounting basis. Adjustments to reflect going-forward operations shall not be included on this schedule.").

**CASE NO. PUR-2021-00100  
FEBRUARY 8, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Beaumeade-Belmont 230 kV Transmission Line #227 Reconductor and Partial Rebuild

**FINAL ORDER**

On May 20, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and certification of electric transmission facilities in Loudoun County, Virginia ("Application"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Dominion seeks approval of both a reconductor project ("Reconductor Project") and a partial rebuild project (collectively, the "Project").<sup>1</sup> Specifically, Dominion seeks to (i) reconductor approximately 6.7 miles of the Company's networked overhead 230 kilovolt ("kV") transmission Line #227 between its existing Beaumeade and Belmont Substations, using 2-768.2 ACSS/TW/HS conductor, designed for a maximum operating temperature of 250 degrees Celsius and a minimum summer transfer capacity of 1573 MVA; (ii) uprate the line terminal equipment at Beaumeade and Belmont Substations to 4000 Amp standards by replacing line switches, line leads, wave traps, breakers, breaker switches, and bus segments as needed; (iii) uprate line switches at the Company's Ashburn Substation and Northern Virginia Electric Cooperative's Cochran Mill Delivery Point, which are intermediate stations tapped from Line #227, to 4000 Amps; (iv) remove an idle 230 kV conductor between Structures #227/182-188; and (v) within the 6.7-mile Reconductor Project, remove five double circuit 230 kV weathering steel lattice towers (Structures #227/182-186) supporting 0.76 mile of the existing Line #227 and an idle 230 kV conductor, which will be replaced with four double circuit and two single circuit 230 kV galvanized steel poles.<sup>2</sup>

Dominion states that the Project is necessary to maintain the reliability of its transmission system and resolve potential criteria violations of mandatory North American Electric Reliability Corporation ("NERC") Reliability Standards.<sup>3</sup> The Company further states that the Project will replace aging infrastructure that is at the end of its service life.<sup>4</sup>

The Company states that the desired in-service date for the Project is December 31, 2023.<sup>5</sup> The Company represents that the estimated conceptual cost of the Project (in 2021 dollars) is approximately \$15.1 million, which includes approximately \$11.3 million for transmission-related work and \$3.8 million for substation-related work.<sup>6</sup>

Dominion represents that given the availability of existing right-of-way ("ROW") and the statutory preference given to the use of existing ROW, and because of the additional costs and environmental impacts that would be associated with the acquisition and construction of new ROW, the Company considered no alternate routes requiring new ROW for the Project.<sup>7</sup>

<sup>1</sup> Ex. 2 (Application) at 2.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at Appendix p. i.

<sup>5</sup> *Id.* at 4.

<sup>6</sup> *Id.* at 4-5.

<sup>7</sup> *Id.* at 5.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On June 14, 2021, the Commission issued an Order for Notice and Hearing ("Procedural Order") which, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled public witness and evidentiary hearings; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter. No comments or notices of participation were filed.

As also directed in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review. On August 12, 2021, the Commission received the report filed by DEQ ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. According to the DEQ Report, the Company should:

1. Follow DEQ recommendations including the avoidance and minimization of impacts to wetlands and streams.
2. Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels.
3. Evaluate DEQ's database of pollution complaint cases to establish the exact location, nature and extent of the identified petroleum release site and its potential to impact the Project.
4. Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable.
5. Coordinate with the Department of Conservation and Recreation ("DCR") regarding an inventory for populations of diabase glade rare plant species.
6. Coordinate with DCR regarding the development of an invasive species plan to be included as part of the maintenance practices for the right-of-way.
7. Coordinate with DCR for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the Project construction to avoid and minimize impacts to natural heritage resources.
8. Contact the Department of Wildlife Resources ("DWR") on any additional coordination regarding the protection of the green floater mussel, if instream work becomes necessary.
9. Coordinate with DWR regarding its general recommendations to protect wildlife resources.
10. Coordinate with the Virginia Outdoors Foundation ("VOF") on minimizing the impacts of the replacement structures on VOF open space easements in the vicinity of the Project.
11. Employ best management practices, spill prevention and control countermeasures, and other measures as appropriate for the protection of water supply sources.
12. Follow the principles and practices of pollution prevention to the extent practicable.
13. Limit the use of pesticides and herbicides to the extent practicable.<sup>8</sup>

On October 8, 2021, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated the need for the proposed Project.<sup>9</sup> Staff therefore did not oppose the issuance of the certificate of public convenience and necessity ("CPCN") requested in the Company's Application.<sup>10</sup>

On October 27, 2021, the Company filed rebuttal testimony. In its rebuttal testimony, Dominion sought to clarify four recommendations in the DEQ Report and requested that the Commission reject three other recommendations.<sup>11</sup>

Due to the ongoing public health concerns related to the spread of COVID-19, a hearing for the receipt of testimony from public witnesses was scheduled to be held telephonically on November 9, 2021, but was subsequently canceled when no one signed up to testify as a public witness.<sup>12</sup> The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on November 10, 2021. The Company and Staff participated at the hearing.

<sup>8</sup> Ex. 8 (DEQ Report) at 5-6.

<sup>9</sup> Ex. 7 (Dodson Direct) at Staff Report p. 21.

<sup>10</sup> *Id.*

<sup>11</sup> Ex. 9 (Carr Rebuttal) at 3; Ex. 10 (Studebaker Rebuttal) at 3.

<sup>12</sup> Tr. 5.

On December 3, 2021, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") was issued. In the Report, the Senior Hearing Examiner found: (i) the record supports the need for the Project to meet NERC reliability standards and to support continued economic growth in the area; (ii) the Project will use existing right-of-way to the maximum extent practicable; (iii) the Project will have no material adverse impact on scenic, environmental, or historic resources; (iv) the Company reasonably addressed the permitting and/or routing comments submitted in the DEQ Report by VOF regarding visual impacts from the new pole structures, and the Virginia Department of Transportation ("VDOT") regarding permit requirements; (v) the Company reasonably addressed environmental permitting and/or coordination in the DEQ Report by DCR regarding the development of an invasive species plan, DCR regarding an inventory of rare tree and plant species, DWR regarding its general recommendation to protect wildlife resources, DEQ regarding the evaluation of a petroleum release site in close proximity to the Project, and DEQ's general comment to consider the development of an effective Environmental Management System ("EMS"); (vi) DEQ recommendations Nos. 1, 2, 4, 7, 8, 11, 12 and 13 in the DEQ Report are desirable or necessary to minimize adverse environmental impact associated with the Project; (vii) the Company reasonably addressed DEQ recommendations Nos. 3, 5, 6, 9, and 10 and these recommendations should be rejected as unnecessary; (viii) the Company reasonably considered the requirements of the Virginia Environmental Justice Act ("VEJA");<sup>13</sup> (ix) the Project does not represent a hazard to public health or safety; (x) the Company's decision not to consider any alternate routes for the Project was reasonable; and (xi) the Company reasonably addressed the potential impact of the Project on aviation resources.<sup>14</sup> The Senior Hearing Examiner recommended that the Commission adopt the findings and recommendations in the Report, issue a CPCN to the Company to construct and operate the Project, and dismiss the case.<sup>15</sup>

On December 10, 2021, the Company filed its comments to the Report in which the Company stated that it supports the Report's finding and recommendations and requested that the Commission adopt the report and approve the Application.<sup>16</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Project. The Commission finds that a CPCN authorizing the Project should be issued subject to certain findings and conditions contained herein.

#### Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact. . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 67-101.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

Dominion represents that the Project is necessary in order to resolve potential criteria violations of mandatory NERC Reliability Standards by increasing transmission capacity, and to maintain reliable service in Loudoun County, Virginia.<sup>17</sup> Based on information provided by the Company, Staff agreed with Dominion that the Project is needed to resolve potential reliability criteria violations identified by the Company and PJM Interconnection, L.L.C.<sup>18</sup> The Commission finds that the Company has adequately demonstrated that load growth in the area supports the need for the Project and that the Project is needed to maintain reliable service in Loudoun County, Virginia.

<sup>13</sup> Code § 2.2-234 through -235.

<sup>14</sup> Report at 16-17.

<sup>15</sup> *Id.* at 17.

<sup>16</sup> Comments at 3. No participant filed comments opposing the findings and recommendations set forth in the Report.

<sup>17</sup> See Ex. 2 (Application) at 2.

<sup>18</sup> Ex. 7 (Dodson Direct) at Staff Report pp. 6-7.

### Economic Development

The Commission has considered the effect of the Project on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Project will maintain reliable service and support overall growth in Loudoun County, Virginia.<sup>19</sup>

### Rights-of-Way and Routing

Dominion has adequately considered usage of existing ROW. The Project, as proposed, would be constructed on existing ROW, with no additional ROW required.<sup>20</sup>

### Impact on Scenic Assets and Historic Districts

As noted above, the Project would be constructed on existing ROW already owned and maintained by Dominion. The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Virginia Department of Historic Resources, and environment of the area concerned, as required by § 56-46.1 B of the Code, subject to the recommendations provided in the following section.

### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Project. This finding is supported by the DEQ Report, as nothing therein suggests that the Project should not be constructed.

There are, however, recommendations included in the DEQ Report for the Commission's consideration. The Company filed a response opposing three of these recommendations.

First, Dominion requests that the Commission reject the recommendation by DCR related to development and implementation of an invasive species management plan.<sup>21</sup> The Company asserts that it "already has a robust Integrated Vegetation Management Plan . . . in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species."<sup>22</sup> It therefore states that the development and implementation of a separate invasive species plan is unnecessary.<sup>23</sup> The Commission agrees with the Hearing Examiner that the invasive species plan recommended by DCR is duplicative of the Company's Integrated Vegetation Management Plan and therefore is unnecessary.<sup>24</sup>

Second, Dominion requests that the Commission reject the recommendation by DWR to conduct significant tree removal and ground-clearing activities outside of the primary songbird nesting season.<sup>25</sup> Dominion states that it does not expect any ground clearing activities to be "significant" since the Project would be constructed within existing, cleared ROW.<sup>26</sup> However, the Company agrees to survey the relevant area for songbird nesting colonies if any significant clearing occurs during nesting season and to coordinate with DWR if any colonies are found.<sup>27</sup> We direct the Company to conduct songbird surveying and coordinate with DWR for the implementation of construction limitations to avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable if significant ground clearing is required within a particular area during the construction of the Project.<sup>28</sup>

<sup>19</sup> See *id.* at Report p. 16.

<sup>20</sup> See Ex. 2 (Application) at 5; Ex. 7 (Dodson Direct) at Staff Report p. 15.

<sup>21</sup> Ex. 10 (Studebaker Rebuttal) at 3.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at 3-4.

<sup>24</sup> The Company has requested, and the Commission has approved, rejection of a comparable DEQ recommendation in similar circumstances in several prior proceedings. See, e.g., *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Loudoun-Ox 230 kV Transmission Line Partial Rebuild Projects*, Case No. PUR-2019-00128, 2020 S.C.C. Ann. Rept. 306, 309, Final Order (June 2, 2020); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Lockridge 230 kV Line Loop and Lockridge Substation*, Case No. PUR-2019-00215, 2020 S.C.C. Ann. Rept. 391, Final Order (Oct. 1, 2020).

<sup>25</sup> Ex. 10 (Studebaker Rebuttal) at 3, 5.

<sup>26</sup> *Id.* at 5.

<sup>27</sup> *Id.*

<sup>28</sup> The Commission has previously made a similar finding in in prior proceedings. See, e.g., *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Loudoun-Ox 230 kV Transmission Line Partial Rebuild Projects*, Case No. PUR-2019-00128, 2020 S.C.C. Ann. Rept. 306, 310, Final Order (June 2, 2020); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 7-8 (Mar. 23, 2021).

Third, Dominion asks the Commission to reject the recommendation by DEQ to consider development of an effective EMS.<sup>29</sup> The Company asserts that it "already has a comprehensive EMS Manual in place that ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in its environmental performance . . . ."<sup>30</sup> The Company finds the DEQ recommendation to develop an effective EMS to therefore be unnecessary and duplicative.<sup>31</sup> We find that Dominion's existing EMS achieves the purpose of this recommendation.<sup>32</sup>

Dominion also offered clarifications to certain DEQ recommendations. In response to the recommendation that the Company further evaluate the potential impacts of identified petroleum release sites in close proximity to the Project, Dominion states that the pollution complaint ("PC") number of concern was only open for a short duration, over twenty years ago, and it is reasonable to assume that the release was limited to only soil.<sup>33</sup> Dominion asserts the portion of the Project where the PC is located will have little to no ground disturbing activities, and therefore exposure to any potentially contaminated soil will be minimal to none.<sup>34</sup> Dominion therefore does not expect the PC will have a negative impact on the Project.<sup>35</sup> We direct the Company to coordinate with DEQ to avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable if contaminated soil associated with the petroleum release highlighted in the DEQ Report is identified.<sup>36</sup>

In response to the recommendations by DCR to avoid, or conduct an inventory of, certain documented, rare species in the Project area to evaluate potential impacts, Dominion states it will do its best to avoid the documented rare resources during its removal of danger trees and overall construction of the Project.<sup>37</sup> We find the Company's assurances to be reasonable.

In response to VOF's recommendation that any replacement structures and associated project components should have less of a presence on the landscape or mimic existing towers, Dominion states that it has reached out to VOF to discuss its recommendation and has provided additional information to VOF regarding the Project.<sup>38</sup> We direct Dominion to continue to coordinate with VOF to address any outstanding concerns regarding the Project's potential visual impacts.<sup>39</sup>

Next, in response to certain recommendations by VDOT's project review and comment resolution form, which was attached to the DEQ Report, Dominion states that it has reached out to VDOT to provide additional information and insight about the route permitting process for electric transmission projects.<sup>40</sup> We direct Dominion to continue to coordinate with VDOT to address any outstanding concerns about the route permitting process.

Finally, Dominion shall be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Project.

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<sup>29</sup> Ex. 10 (Studebaker Rebuttal) at 3, 6.

<sup>30</sup> *Id.* at 6.

<sup>31</sup> *Id.*

<sup>32</sup> The Commission has previously made a similar finding in in prior proceedings. See, e.g., *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

<sup>33</sup> Ex. 10 (Studebaker Rebuttal) at 6-7.

<sup>34</sup> *Id.* at 7.

<sup>35</sup> *Id.*

<sup>36</sup> The Commission has previously made a similar finding in in prior proceedings. See, e.g., *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: 230 kV Lines #2113 and #2154 Transmission Line Rebuilds and Related Projects*, Case No. PUR-2021-00010, Doc. Con. Cen. No. 210930053, Final Order at 10-11 (Sept. 15, 2021).

<sup>37</sup> Ex. 10 (Studebaker Rebuttal) at 7-8. More specifically, Dominion agrees to provide its construction team with information about the rare plant species of concern prior to the commencement of construction activities and agrees to coordinate with DCR if the species of concern is found within the Project area. The Company also agrees to do its best to avoid the documented rare state tree in the Project area. *Id.*

<sup>38</sup> Ex. 9 (Carr Rebuttal) at 3-5.

<sup>39</sup> The Commission has previously made a similar finding in in prior proceedings. See, e.g., *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: 230 kV Lines #2113 and #2154 Transmission Line Rebuilds and Related Projects*, Case No. PUR-2021-00010, Doc. Con. Cen. No. 210930053, Final Order at 10-11 (Sept. 15, 2021).

<sup>40</sup> Ex. 9 (Carr Rebuttal) at 3, 6. The Company asserts that it commits to obtaining all required permits from VDOT prior to starting construction of the proposed Project. *Id.* at 6.



### Environmental Justice

The VEJA sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>41</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>42</sup>

We agree with the Hearing Examiner that the Company reasonably considered the requirements of the VEJA.<sup>43</sup> We direct Dominion to continue to engage environmental justice communities and others affected by the Project in a manner that allows them to meaningfully participate in the Project development and approval process.<sup>44</sup>

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-LDN-2022-A which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Loudoun County, all as shown on the detailed map attached to the Certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00100; Certificate No. ET-DEV-LDN-2022-A cancels Certificate No. ET-91ae issued to Virginia Electric and Power Company on October 1, 2020 in Case No. PUR-2019-00215.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Project approved herein must be constructed and in service by December 31, 2023. No later than 90 days before the in-service date approved herein, for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

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<sup>41</sup> Code § 2.2-235.

<sup>42</sup> Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, Doc. Con. Cen. No. 210210007, Final Order at 14-15 (Feb. 1, 2021).

<sup>43</sup> Report at 15, 17.

<sup>44</sup> *Id.* at 15; Ex. 2 (Application), Appendix at 128.

**CASE NO. PUR-2021-00110  
MARCH 9, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of a rate adjustment clause: Rider U, new underground distribution facilities, for the rate year commencing April 1, 2022

**FINAL ORDER**

On June 8, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause, Rider U ("Application") pursuant to § 56-585.1 A 6 ("Subsection A 6") of the Code of Virginia ("Code").<sup>1</sup> Through its Application, the Company seeks to recover costs associated with its Strategic Underground Program ("SUP").<sup>2</sup>

The Company asserts that Subsection A 6 provides that the replacement of any subset of a utility's existing overhead distribution tap lines that have, in the aggregate, an average of nine or more total unplanned outage events-per-mile over a preceding 10-year period with new underground facilities in order to improve electric service reliability is in the public interest.<sup>3</sup> The Company further states that Subsection A 6 provides that these conversions are deemed to provide local and system-wide benefits and to be cost beneficial, and that the costs associated with such new underground facilities are deemed to be reasonably and prudently incurred.<sup>4</sup> Moreover, the Company asserts Subsection A 6 mandates that the Commission approve recovery of such costs so long as the aggregated costs associated with the replacement of overhead distribution tap lines with underground facilities do not exceed an average cost per customer undergrounded of \$20,000, including customers served directly by or down line of the tap lines proposed for conversion, exclusive of financing costs, and an average cost per mile of \$750,000, exclusive of financing costs.<sup>5</sup>

In addition to an annual update associated with the previously approved phases of the SUP, the Company seeks cost recovery for phase six ("Phase Six") of the SUP, designed to convert an additional 295 miles of overhead tap lines to underground facilities at a capital investment of approximately \$173 million, with an average cost per mile of \$586,326 and an average cost per customer undergrounded of \$7,068.<sup>6</sup> Dominion states that its actual expenditures for Phase Six incurred through March 31, 2021, are \$57.5 million, and projected expenditures for the period April 1, 2021, through March 31, 2022, are approximately \$115.4 million.<sup>7</sup> The Company is requesting to recover the costs of Phase Six through Rider U for only those projects that will be completed prior to April 1, 2022.<sup>8</sup>

In this proceeding, Dominion has asked the Commission to approve Rider U for the rate year beginning April 1, 2022, and ending March 31, 2023 ("2022 Rate Year").<sup>9</sup> The two components of the proposed total revenue requirement for the 2022 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.<sup>10</sup>

The Company states that the revenue requirement associated with the costs of the previously approved SUP phases totals \$61.181 million, which includes a Projected Cost Recovery Factor of \$59.637 million, and an Actual Cost True-up Factor of \$1.545 million.<sup>11</sup> The Company also states that the Projected Cost Recovery Factor revenue requirement for Phase Six costs totals \$34.698 million.<sup>12</sup> In total, the Company seeks approval of revised Rider U with an associated revenue requirement in the amount of \$95.879 million for the 2022 Rate Year.<sup>13</sup>

<sup>1</sup> On June 23, 2021, pursuant to 5 VAC 5-20-160 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, the Commission's Staff ("Staff") filed a Memorandum of Completeness/Incompleteness stating that, upon granting the requested waiver, the Application was complete as of June 21, 2021, and that the Commission's final order in this matter is statutorily due in nine (9) months, or by March 21, 2022. *See* Code § 56-585.1 A 8.

<sup>2</sup> Ex. 2 (Application) at 1.

<sup>3</sup> *Id.* at 3. The Company also asserts that Subsection A 6 continues to limit the annual incremental increase in investment level pursuant to a petition under clause (iv) of Subsection A 6 to five percent of the Company's distribution rate base. *Id.* at 2-3.

<sup>4</sup> *Id.* at 3.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 1, 4.

<sup>7</sup> *Id.* at 4.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 5.

<sup>10</sup> *Id.*

<sup>11</sup> Ex. 5 (Lecky Direct) at 13. The Company states that it is proposing to true-up Phases One through Four. *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*; Ex. 2 (Application) at 6.

If the proposed Rider U revenue requirement for the 2022 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 proposed Rider U on April 1, 2022, would increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately \$0.39.<sup>14</sup> Dominion indicates it has calculated the proposed Rider U rates in accordance with the same methodology as used for rates approved by the Commission in the most recent Rider U proceeding, Case No. PUR-2020-00096.<sup>15</sup>

On June 28, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

The Commission did not receive any written comments in this case. On October 28, 2021, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation in the case. On December 22, 2021, Staff filed testimony. On January 5, 2022, the Company filed rebuttal testimony.

Due to the ongoing public health issues related to the spread of the virus that causes COVID-19, a telephonic public witness hearing was scheduled for January 19, 2022, but was canceled because no public witness signed up to testify at the hearing.<sup>16</sup> The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on January 20, 2022.<sup>17</sup> The Company, Consumer Counsel, and Staff participated at the hearing.<sup>18</sup>

On February 4, 2022, the Hearing Examiner issued his Report. In his Report, the Hearing Examiner recommended that the Commission enter an order that (1) adopts the findings and recommendations set forth in the Report; (2) approves Phase Six of the SUP; (3) approves a total Rider U revenue requirement of \$94.95 million, consisting of a Projected Cost Recovery Factor of \$95.31 million, \$60.30 million for previously approved phases and \$35.01 million for Phase Six, and an Actual Cost True-Up Factor of (\$0.36) million for the 2022 Rate Year; and (4) dismisses this case from the Commission's docket of active cases.<sup>19</sup>

Staff and the Company filed comments supporting the Report's findings and recommendations.<sup>20</sup> Consumer Counsel filed comments noting that it did not object to the Report's recommended revenue requirement and took no position on the Report's findings regarding SUP performance metrics.<sup>21</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations set forth in the Hearing Examiner's Report should be adopted. The Commission finds that Phase Six of the SUP should be approved. The Commission further finds that a total revenue requirement of \$94.95 million for the 2022 Rate Year, consisting of a Projected Cost Recovery Factor of \$95.31 million and an Actual Cost True-Up Factor of (\$0.36) million, should be approved for Rider U. In approving this request for an increase in Rider U, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the law applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations set forth in the Report are hereby adopted.
- (2) Phase Six of the SUP is hereby approved.
- (3) Rider U, as approved herein with an updated revenue requirement in the amount of \$94.95 million, shall become effective for service rendered on and after April 1, 2022.
- (4) The Company forthwith shall file a revised Rider U and supporting workpapers with the Clerk of the Commission and shall submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).
- (5) On or before June 30, 2022, the Company shall file an application to revise Rider U effective April 1, 2023.
- (6) This case is continued.

<sup>14</sup> Ex. 2 (Application) at 6-7; Ex. 6 (Miller Direct) at 9.

<sup>15</sup> Ex. 2 (Application) at 6.

<sup>16</sup> Report of Michael D. Thomas, Senior Hearing Examiner ("Report") at 4.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 14-15.

<sup>20</sup> See Staff Comments at 1; Dominion Comments at 1.

<sup>21</sup> Consumer Counsel Comments at 2.

**CASE NO. PUR-2021-00111  
FEBRUARY 10, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider B, Biomass conversions of the Altavista, Hopewell, and Southampton Power Stations for the rate year commencing April 1, 2022

**FINAL ORDER**

On June 8, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause, Rider B ("Application").<sup>1</sup> Through its Application, the Company seeks to recover costs associated with the major unit conversions of the Altavista, Hopewell, and Southampton Power Stations from coal-burning generation facilities into renewable biomass generation facilities.<sup>2</sup> In this proceeding, Dominion has asked the Commission to approve Rider B for the rate year beginning April 1, 2022, and ending March 31, 2023 ("2022 Rate Year").<sup>3</sup>

On June 28, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

A notice of participation was filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Staff filed testimony on October 20, 2021.<sup>4</sup> On November 3, 2021, Dominion filed its letter in lieu of rebuttal testimony stating that the Company agrees with the revenue requirement updates presented in Staff's pre-filed testimony, resulting in a recommended revenue requirement of \$16.74 million.<sup>5</sup> Further, the Company stated it agrees with Staff that the Commission has historically limited the revenue requirement to the amounts that were originally requested and noticed to the public and, as such, does not oppose the Commission approving a revenue requirement of \$15,500,000 for the Rate Year and incorporating the excess \$1.24 million in a future Rider B Actual Cost True-Up Factor.<sup>6</sup> The Commission did not receive written comments from any interested person regarding the Application.

Due to the ongoing public health issues related to the spread of the coronavirus, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on November 18, 2021. No public witnesses appeared to testify at the hearing. The Company, Staff, and Consumer Counsel participated at the hearing.<sup>7</sup>

On December 8, 2021, Hearing Examiner Mary Beth Adams issued her Report ("Report"). As stated in the Report,

In this case, Staff and [Dominion] have resolved all the issues raised in prefiled testimony. Both Staff and [Dominion] support Staff's total Rider B revenue requirement of \$16.74 million. Because this revenue requirement exceeds the revenue requirement noticed by the Company, Consumer Counsel, Staff and [Dominion] agreed that rates determined in this proceeding for the [2022] Rate Year should be limited to the original \$15.5 million revenue requirement noticed by the Company. The Company and Staff agree that any unrecovered revenue requirements would be subject to future true-ups.

Based on no unresolved issues or calculations, I find that the Company's Application, with the agreed-to total revenue requirement of \$15.5 million, should be approved by the Commission.<sup>8</sup>

The Hearing Examiner therefore recommended that the Commission approve an updated Rider B rate adjustment clause with a revenue requirement of \$15.5 million for the 2022 Rate Year.<sup>9</sup> Dominion filed comments recommending the Commission approve the Hearing Examiner's recommended revenue requirement. Consumer Counsel filed comments stating it had no objection to the findings and recommendations in the Report.

<sup>1</sup> On June 23, 2021, pursuant to 5 VAC 5-20-160 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, the Commission's Staff ("Staff") filed a Memorandum of Completeness/Incompleteness stating that, upon granting the requested waiver, the Application was complete as of June 18, 2021, and that the Commission's final order in this matter is statutorily due in nine (9) months, or by March 18, 2022. *See* Code § 56-585.1 A 8.

<sup>2</sup> Ex. 2 (Application) at 1; Ex. 3 (Dibble Direct) at 1-2.

<sup>3</sup> Ex. 2 (Application) at 4.

<sup>4</sup> On November 12, 2021, Staff filed a replacement page 8 to the testimony of Timothy A. Morris.

<sup>5</sup> Ex. 9 (Company's Letter Filed in lieu of Rebuttal Testimony) at 2.

<sup>6</sup> *Id.*

<sup>7</sup> At the hearing, Consumer Counsel agreed with Dominion and Staff "that the revenue requirement approved in this proceeding should be limited to the amount publicly noticed." Tr. 6-7. Accordingly, Consumer Counsel did not object to approval of the \$ 15.5 million revenue requirement. *Id.* at 7.

<sup>8</sup> Report at 10-11.

<sup>9</sup> *Id.* at 11. The Hearing Examiner further recommended that the Commission approve Dominion's proposed cost allocation and rate design. *Id.*

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement for Rider B of \$15.5 million for the 2022 Rate Year should be approved.

Accordingly, IT IS ORDERED THAT:

- (1) Rider B, as approved herein with a revenue requirement in the amount of \$15.5 million, shall become effective for service rendered on and after April 1, 2022.
- (2) The Company forthwith shall file a revised Rider B and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (3) On or before June 30, 2022, the Company shall file an application to revise Rider B effective April 1, 2023.
- (4) This case is dismissed.

**CASE NO. PUR-2021-00113  
MARCH 11, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider R, Bear Garden Generating Station, for the rate years commencing April 1, 2022, and April 1, 2023

**FINAL ORDER**

On June 8, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code") and the directive contained in Ordering Paragraph (3) of the Final Order entered in Case No. PUR-2020-00101,<sup>1</sup> filed with the State Corporation Commission ("Commission") a biennial update of the Company's rate adjustment clause, Rider R ("Application"). Through its Application, the Company seeks to recover costs associated with the Bear Garden Generating Station, a natural gas- and oil-fired combined-cycle electric generating facility and associated transmission interconnection facilities located in Buckingham County, Virginia.<sup>2</sup>

In this proceeding, Dominion proposed a new biennial filing procedure for Rider R.<sup>3</sup> The Company has asked the Commission to approve Rider R for two consecutive rate years beginning April 1, 2022, through March 31, 2023 ("Rate Year 1"), and beginning April 1, 2023, through March 31, 2024 ("Rate Year 2").<sup>4</sup>

The two components of the proposed total revenue requirement for Rate Year 1 are the Projected Cost Recovery Factor and Actual Cost True-Up Factor.<sup>5</sup> The Company requests a Projected Cost Recovery Factor revenue requirement of \$54,374,000 and an Actual Cost True-Up Factor revenue requirement of \$4,785,000 for Rate Year 1.<sup>6</sup> Thus, Dominion requests a total revenue requirement of \$59,159,000 for service rendered during Rate Year 1.<sup>7</sup> According to Dominion, implementation of its proposed Rider R on April 1, 2022, would increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately \$0.07.<sup>8</sup>

The total revenue requirement proposed by Dominion for Rate Year 2 comprises only a Projected Cost Recovery Factor.<sup>9</sup> The Company seeks approval of a total revenue requirement of \$54,940,000 for Rate Year 2.<sup>10</sup> According to the Company, for Rate Year 2, implementation of its proposed Rider R on April 1, 2023, would decrease the bill of a residential customer using 1,000 kilowatt hours per month by approximately \$0.07 as compared to Rate Year 1.<sup>11</sup>

<sup>1</sup> *Application of Virginia Electric and Power Company, For the revision of rate adjustment clause: Rider R, Bear Garden Generating Station*, Case No. PUR-2020-00101, Doc. Con. Cen. No. 210230095, Final Order (Feb. 24, 2021) ("2020 Rider R Proceeding").

<sup>2</sup> Ex. 2 (Application) at 1.

<sup>3</sup> *Id.* at 7.

<sup>4</sup> *Id.* at 4-5.

<sup>5</sup> *Id.* at 7.

<sup>6</sup> *Id.* at 7-8; Ex. 6 (Robertson Direct) 5-6, 9.

<sup>7</sup> Ex. 2 (Application) at 8; Ex. 6 (Robertson Direct) at 11.

<sup>8</sup> Ex. 2 (Application) at 9; Ex. 8 (Taylor Direct) at 8.

<sup>9</sup> Ex. 2 (Application) at 7.

<sup>10</sup> *Id.* at 8; Ex. 6 (Robertson Direct) at 11.

<sup>11</sup> Ex. 8 (Taylor Direct) at 9.

For purposes of this Application, the Company states that it calculated the revenue requirement using a 9.2% rate of return on common equity ("ROE"). This 9.2% ROE was approved by the Commission in Case No. PUR-2019-00050.<sup>12</sup> Dominion further states that it has calculated the proposed Rider R rates in accordance with the same methodology as used for rates approved by the Commission in the 2020 Rider R Proceeding.<sup>13</sup>

On June 28, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the case; directed the Commission's Staff ("Staff") to investigate the Application and to file testimony and exhibits containing its findings and recommendations; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

No notices of participation were filed. On December 15, 2021, Staff filed its direct testimony. Staff calculated a total revenue requirement for Rate Year 1 of \$59,552,000, and of \$55,291,000 for Rate Year 2.<sup>14</sup> Staff noted that the primary difference between Staff's and the Company's calculations of the total revenue requirements for Rate Years 1 and 2 is due to the Company's authorized ROE increase from 9.20% to 9.35%, as approved in the Commission's 2021 Triennial Review Final Order.<sup>15</sup> Staff recognized that its revenue requirements exceed those requested in the Application, and noted that the Commission has historically limited its approvals to the revenue requirement included in the public notice.<sup>16</sup> Staff did not oppose the Company's proposal for future Rider R updates to occur on a biennial basis.<sup>17</sup>

On January 12, 2022, Dominion filed a letter in lieu of rebuttal testimony stating that: (1) the Company agreed with the revenue requirement updates presented in Staff's testimony;<sup>18</sup> (2) the Company agreed with Staff's recommendation that the revenue requirements approved in this proceeding should be limited to the noticed amounts; and (3) the Company intends to recover the \$743,791 difference in the revenue requirements, as calculated by Staff, in the Company's next true-up proceeding.<sup>19</sup> The Commission did not receive written comments from any interested person regarding the Application.

Due to the ongoing public health issues related to the spread of the coronavirus, or COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on January 27, 2022. No public witnesses appeared to testify at the hearing.<sup>20</sup> The Company and Staff participated at the hearing.

On January 31, 2022, the Hearing Examiner issued the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"). As stated in the Report,

I find that the Code and the record developed in this proceeding support Commission approval of the proposed Rider R rates. The Record supports total Rider R revenue requirements of: (1) \$59.6 million for April 1, 2022, through March 31, 2023; and (2) \$55.3 million for April 1, 2023, through March 31, 2024. However, the revenue requirements used to revise Rider R rates should be limited to the proposed \$59.2 million and \$54.9 million total revenue requirements that were included in the public notice prescribed in this case. In addition, Dominion's proposal for Rider R proceedings to occur on a biennial basis is reasonable.<sup>21</sup>

Dominion filed comments supporting the findings and recommendations set forth in the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement for Rider R of \$59,159,000 for Rate Year 1 is hereby approved. The Commission also finds that a total revenue requirement for Rider R of \$54,940,000 for Rate Year 2 is hereby approved. In approving these requests, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

<sup>12</sup> Ex. 2 (Application) at 6; Ex. 6 (Robertson Direct) at 4. See *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity pursuant to § 56-585.1:1 C of the Code of Virginia*, Case No. PUR-2019-00050, 2019 S.C.C. Ann. Rept. 400, Final Order (Nov. 21, 2019).

<sup>13</sup> Ex. 8 (Taylor Direct) at 5.

<sup>14</sup> Ex. 9 (Harris Direct) at 1.

<sup>15</sup> Ex. 11 (Gereaux Direct) at 2-3 (citing *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUR-2021-00058, Doc. Con. Cen. No. 211160097, Final Order (Nov. 18, 2021) ("2021 Triennial Review Final Order")). Staff noted that the 2021 Triennial Review Final Order was issued after this Application was filed.

<sup>16</sup> Ex. 9 (Harris Direct) at 4-5, 8.

<sup>17</sup> Ex. 12 (Tufaro Direct) at 5.

<sup>18</sup> The Company agreed with the updated revenue requirements presented by Staff, except for errors identified by the Company. Staff subsequently filed an errata with replacement pages for its pre-filed direct testimony that corrected the errors identified by the Company.

<sup>19</sup> Ex. 13 (Rebuttal Letter).

<sup>20</sup> Tr. 6.

<sup>21</sup> Report at 11. The Hearing Examiner further recommended that the Commission direct Dominion to file its next Rider R application consistent with a biennial filing schedule. *Id.*

Accordingly, IT IS ORDERED THAT:

- (1) Rider R for Rate Year 1, with a revenue requirement in the amount of \$59,159,000, shall become effective for service rendered on and after April 1, 2022.
- (2) Rider R for Rate Year 2, with a revenue requirement in the amount of \$54,940,000, shall become effective for service rendered on and after April 1, 2023.
- (3) The Company forthwith shall file revisions to Rider R and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (4) The Company shall file its next Rider R application consistent with a biennial filing schedule.
- (5) This case is dismissed.

**CASE NO. PUR-2021-00114  
FEBRUARY 8, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center, for the rate years commencing April 1, 2022, and April 1, 2023

**FINAL ORDER**

On June 8, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") a biennial update of the Company's rate adjustment clause, Rider S ("Application") pursuant to § 56-585.1 A 6 of the Code of Virginia. Through its Application, the Company seeks to recover costs associated with the Virginia City Hybrid Energy Center ("VCHC"), a 600 megawatt nominal coal-fueled generating plant and associated transmission interconnection facilities located in Wise County, Virginia.<sup>1</sup>

On June 28, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled public hearings on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.<sup>2</sup>

Notices of participation were filed by the Sierra Club, Appalachian Voices, and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). The Sierra Club filed testimony on November 24, 2021. Staff filed testimony on December 8, 2021. On December 20, 2021, Dominion filed rebuttal testimony. The Commission received several written comments from interested persons in support of the Application.<sup>3</sup>

Due to the ongoing public health concerns related to the spread of the virus that causes COVID-19, a telephonic public witness hearing was scheduled for December 14, 2021, but was canceled because no public witness signed up to testify at the hearing.<sup>4</sup>

On January 4, 2022, Dominion, the Sierra Club, and Staff (collectively, "Stipulating Participants") filed a Proposed Stipulation and Recommendation ("Stipulation"), which resolved all issues raised by the Stipulating Participants in the case.<sup>5</sup> More specifically, the Stipulation states: (i) a total revenue requirement for the rate year April 1, 2022 through March 31, 2023 ("Rate Year 1") of \$191.532 million, and a total revenue requirement for April 1, 2023 through March 31, 2024 ("Rate Year 2") of \$191.292 million, should be approved;<sup>6</sup> (ii) the Company, within nine months of the Final Order in this case, will prepare and file an analysis of a possible pathway towards economic viability for VCHC on a going-forward basis, which will include, at a minimum, the analysis and discussion detailed in the proposed Stipulation ("VCHC Analysis"); (iii) Dominion will forgo life-extension related spending at

<sup>1</sup> Ex. 2 (Application) at 1; Ex. 4 (Lee Direct) at 1.

<sup>2</sup> On October 19, 2021, Commission Staff ("Staff") filed a Motion to Modify Procedural Schedule ("Motion"), in which Staff sought an extension of the dates for prefiled respondent, Staff and rebuttal testimony, written public comments, and the evidentiary hearing. The Hearing Examiner granted the Motion in a Hearing Examiner's Ruling dated October 20, 2021.

<sup>3</sup> Comments were received from Senator Todd E. Pillion, Delegate William C. Wampler III, Delegate Israel O'Quinn, Delegate Terry G. Kilgore, Michael Hatfield, William H. Payne II, and Michael J. Quillen.

<sup>4</sup> December 14, 2021 Hearing Examiner's Ruling.

<sup>5</sup> Ex. 14 (Stipulation) at 1.

<sup>6</sup> The Stipulating Participants assert that the actual revenue requirements for Rate Year 1 and Rate Year 2 are higher than the amounts requested in the Application and noticed to the public, but the Company will limit its recovery in this case to the noticed amounts (\$191.532 million for Rate Year 1 and \$191.292 million for Rate Year 2), with any difference between these amounts and the actual revenue requirements being addressed as part of the true-up in a future Rider S update filing. *Id.* at 1-2.

VCHEC after Rate Year 1 and Rate Year 2 until it has completed and filed the VCHEC Analysis and a long-term decision about VCHEC's continued operation has been made; (iv) the Stipulating Participants agree the costs associated with the completion of cells 2A and 3B of the Curley Hollow Landfill coal combustion residuals ("CCR") facility are reasonable and prudent; (v) the Company agrees not to commence construction of new or additional CCR containment facilities at VCHEC unless and until it determines the additional capacity is required and such construction is reasonable and prudent; (vi) the Company will maintain records created in the normal course of business regarding VCHEC dispatch decisions and will disclose such documentation through discovery in future Rider S update proceedings; and (vii) the Company, at its discretion, may seek annual, rather than biennial, approval of Rider S for the recovery of costs associated with VCHEC.<sup>7</sup>

The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on January 6, 2022. The Company, Appalachian Voices, the Sierra Club, Consumer Counsel, and Staff participated at the hearing. At the hearing, Consumer Counsel and Appalachian Voices stated they did not oppose approval of the proposed Stipulation.<sup>8</sup>

On January 24, 2022, the Hearing Examiner issued the Report of Michael D. Thomas, Senior Hearing Examiner ("Report"). As stated in the Report, the Hearing Examiner found the Stipulation to be fair, reasonable, and in the public interest.<sup>9</sup> Further, the Hearing Examiner recommended the Commission enter an order that: (i) adopts the findings in the Report; (ii) adopts the Stipulation; (iii) approves a total Rider S revenue requirement for Rate Year 1 of \$191.532 million, consisting of an Actual Cost True-Up Factor of (\$1.425) million and a Projected Cost Recovery Factor of \$192.957 million; (iv) approves a total Rider S revenue requirement for Rate Year 2 of \$191.292 million, consisting of a Projected Cost Recovery Factor of \$191.292 million; (v) permits the Company to true-up any difference in the noticed Rider S revenue requirement in this case and the actual Rider S revenue requirement in a future Rider S proceeding; and (vi) retains jurisdiction over this matter for the sole purpose of receiving the VCHEC Analysis required by the Stipulation.<sup>10</sup>

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement of \$191.532 million for Rate Year 1, consisting of an Actual Cost True-Up Factor of (\$1.425) million and a Projected Cost Recovery Factor of \$192.957 million, and a total revenue requirement of \$191.292 million for Rate Year 2, consisting of a Projected Cost Recovery Factor of \$191.292 million, should be approved for Rider S.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations set forth in the Report are hereby adopted.
- (2) The Stipulation is approved.
- (3) Dominion shall file a report, as described in the Stipulation, in this docket within nine months from the date of this Final Order.
- (4) Rider S, as approved herein with an updated revenue requirement in the amount of \$191.532 million, shall become effective for service rendered on and after April 1, 2022. Rider S, as approved herein with an updated revenue requirement in the amount of \$191.292 million, shall become effective for service rendered on and after April 1, 2023.
- (5) The Company forthwith shall file a revised Rider S and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (6) On or before June 30, 2023, the Company shall file an application to revise Rider S effective on or before April 1, 2024.
- (7) This case shall remain open for the purpose of receiving the report required by the Stipulation.

<sup>7</sup> *Id.* at 1-3.

<sup>8</sup> Tr. 20-21, 24.

<sup>9</sup> Report at 19.

<sup>10</sup> *Id.* No participant filed comments opposing the findings or recommendations set forth in the Report.



**CASE NO. PUR-2021-00115  
FEBRUARY 8, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider W, Warren County Power Station, For the rate year commencing April 1, 2022

**FINAL ORDER**

On June 8, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code") and in accordance with the State Corporation Commission's ("Commission") February 24, 2021 Final Order in Case No. PUR-2020-00103,<sup>1</sup> filed with the Commission an annual update of the Company's rate adjustment clause,<sup>2</sup> Rider W ("Application"). Through its Application, the Company seeks to recover costs associated with the Warren County Power Station, a natural gas-fired combined-cycle electric generating facility and associated transmission interconnection facilities located in Warren County, Virginia.<sup>3</sup>

In this proceeding, Dominion has asked the Commission to approve Rider W for the rate year beginning April 1, 2022, and ending March 31, 2023 ("2022 Rate Year").<sup>4</sup> The two components of the proposed total revenue requirement for the 2022 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.<sup>5</sup> The Company requests a Projected Cost Recovery Factor revenue requirement of \$115,469,000 and an Actual Cost True-Up Factor revenue requirement of \$5,616,000.<sup>6</sup> Thus, Dominion requests a total revenue requirement of \$121,085,000 for service rendered during the 2022 Rate Year.<sup>7</sup> According to Dominion, implementation of its proposed Rider W on April 1, 2021, would increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately \$0.11.<sup>8</sup>

On July 2, 2021, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission. No comments or notices of participation were filed.

Staff filed testimony on December 8, 2021. On December 22, 2021, Dominion filed a letter in lieu of rebuttal testimony agreeing with the revenue requirement updates presented in Staff's testimony.<sup>9</sup> The Commission received no written comments from the public regarding the Application.

The Chief Hearing Examiner convened the hearing as scheduled on January 12, 2022, by virtual means due to the ongoing public health issues related to the spread of the coronavirus, or COVID-19. No public witnesses appeared to testify at the hearing.<sup>10</sup> The Company and Staff participated in the hearing.

On January 13, 2022, Chief Hearing Examiner Alexander F. Skirpan, Jr., issued a report ("Report"). As stated in the Report:

Based upon the evidence presented in this case, and for the reasons set forth above, I find that the Commission should approve a total Rider W revenue requirement for the Rate Year of \$121,085,000. In addition, I find that the Commission should approve Dominion's proposed cost allocation and rate design.<sup>11</sup>

<sup>1</sup> *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider W, Warren County Power Station, Case No. PUR-2020-00103, Doc. Con. Cen. No. 210230094, Final Order (Feb. 24, 2021).*

<sup>2</sup> On June 23, 2021, pursuant to 5 VAC 5-20-160 of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.*, the Commission's Staff ("Staff") filed a Memorandum of Completeness/Incompleteness stating that the Application was complete as of June 18, 2021, and that the Commission's final order in this matter is statutorily due in nine (9) months, or by March 18, 2022. *See* Code § 56-585.1 A 7.

<sup>3</sup> Ex. 2 (Application) at 1; Ex. 6 (Givens) at 1.

<sup>4</sup> Ex. 2 (Application) at 6.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 6-7; Ex. 6 (Givens) at 5-9.

<sup>7</sup> Ex. 2 (Application) at 7; Ex. 6 (Givens) at 10.

<sup>8</sup> Ex. 2 (Application) at 7; Ex. 8 (Lawson) at 7.

<sup>9</sup> Ex. 13 (Dominion Letter Indicating that They Will Not File Rebuttal Testimony) at 2.

<sup>10</sup> Tr. 4.

<sup>11</sup> Report at 12.

The Company filed comments to the Report ("Dominion Comments") stating that it agrees with the findings and recommendations set forth in the Report.<sup>12</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a Rider W revenue requirement of \$121,085,000, for the 2022 Rate Year, based on a Projected Cost Recovery Factor revenue requirement of \$115,469,000 and an Actual Cost True-Up Factor revenue requirement of \$5,616,000 should be approved. In approving this request for an increase in Rider W, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) Rider W, as approved herein with a revenue requirement in the amount of \$121,085,000, shall become effective for service rendered on and after April 1, 2022.

(2) The Company forthwith shall file a revised Rider W and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(3) On or before June 30, 2022, the Company shall file an application to revise Rider W effective April 1, 2023.

(4) This case is dismissed.

<sup>12</sup> Dominion Comments at 2. In its comments, the Company noted the following two errors in the Report. First, on page 8 of the Report, the Chief Hearing Examiner replicated Schedule 2 of Company Witness Lawson's Direct Testimony, which is the proposed tariff sheet for the Application. Footnote 63 of the Report (also included on page 8), includes only one of the footnotes originally provided in Ms. Lawson's Schedule 2. The following footnote (originally footnote 4 of Ms. Lawson's Schedule 2) should be added to page 8, footnote 63, of the Report: "For Schedule MBR, this charge will be used to allocate a portion of the Generation Energy Charge to Rider W per Section II.B.1.b." Second, the Company notes that the pronouns used for Company Witness Lawson are incorrect in the Report. Throughout the Report, Company Witness Lawson is referenced as Mr. Lawson or "he," and should be referenced as Ms. Lawson or "she." See Dominion Comments at 2.

**CASE NO. PUR-2021-00118  
MARCH 24, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider US-3, Colonial Trail West and Spring Grove 1 Solar Projects, for the rate year commencing June 1, 2022

**FINAL ORDER**

On August 2, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval of its annual update filing with respect to Rider US-3 for the Colonial Trail West Solar Facility, an approximately 142 megawatt ("MW") solar generating facility located in Surry County, Virginia, and the Spring Grove 1 Solar Facility, an approximately 98 MW solar facility located in Surry County, Virginia.<sup>1</sup>

On August 17, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled public hearings on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

No interested person filed a notice of participation or filed comments on the Application. Due to the ongoing public health concerns related to the spread of the virus that causes COVID-19, a telephonic public witness hearing was scheduled for February 28, 2022, but was canceled because no public witness signed up to testify at the hearing.<sup>2</sup> The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on March 1, 2022. Dominion and Commission Staff participated at the hearing.

On March 4, 2022, the Report of A. Ann Berkebile, Senior Hearing Examiner was filed ("Report"). In her Report, the Senior Hearing Examiner found: (i) an updated Rider US-3 rate adjustment clause with a revenue requirement of \$49,805,410 should be approved for the rate year of June 1, 2022 through May 31, 2023, and (ii) Rider US-3 rates should be designed to recover the approved revenue requirement based on the allocation and rate design methodology supported by the Company.<sup>3</sup> The Senior Hearing Examiner further recommended that the Commission issue an Order adopting the findings in the Report, approving the updated Rider US-3 rates as recommended in the Report, and dismissing the case.<sup>4</sup>

<sup>1</sup> Ex. 2 (Application) at 1.

<sup>2</sup> Tr. 13-14.

<sup>3</sup> Report at 4, 11.

<sup>4</sup> *Id.* at 11.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Pursuant to the Report and Rule 5 VAC 5-20-120 C of the Commission's Rules of Practice and Procedure, participants were provided the opportunity to file comments on the Report. Dominion and Staff both filed comments supporting the Senior Hearing Examiner's findings and recommendations. In its comments, Staff also recommended the Commission find that \$254,611, which represents the calculation of performance guarantee adjustments, be credited to Dominion's fuel factor.<sup>5</sup> Dominion stated it did not oppose Staff's recommended finding.<sup>6</sup>

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Report and finds that a total revenue requirement of \$49,805,410 for the rate year of June 1, 2022 through May 31, 2023. We further find that \$254,611 shall be credited to Dominion's fuel factor.

Accordingly, IT IS ORDERED THAT:

(1) Rider US-3 is approved as described herein with an updated revenue requirement in the amount of \$49,805,410. This amount shall be recovered based on the allocation and rate design methodology proposed by the Company.

(2) Pursuant to Code § 56-585.1 A 7, the Company may implement Rider US-3, as approved herein, for service rendered on and after 60 days from the date of this Final Order. Alternatively, as requested by the Company, Dominion may implement Rider US-3, as approved herein, for service rendered on and after June 1, 2022.

(3) The Company forthwith shall file a revised Rider US-3 and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(4) The Company shall file its next annual Rider US-3 application on or after August 1, 2022.

(5) This case is dismissed.

<sup>5</sup> See Staff's Comments on Hearing Examiner's Report at 1. See also Ex. 7 (Harris Direct) at 5-8; Ex. 10 (Coyle Rebuttal) at 4-7; Ex. 12 (Staff Letter on Rebuttal) at 1.

<sup>6</sup> See Dominion's Comments on Hearing Examiner's Report at 1.

**CASE NO. PUR-2021-00119  
MARCH 18, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider US-4, Sadler Solar Project, for the rate year commencing June 1, 2022

**FINAL ORDER**

On August 2, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval of its annual update filing, with respect to Rider US-4 for the Sadler Solar Facility, an approximately 100 megawatt ("MW") utility-scale solar photovoltaic generating facility located in Greensville County, Virginia.

On August 17, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the case; directed the Commission's Staff ("Staff") to investigate the Application and to file testimony and exhibits containing its findings and recommendations; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

No comments or notices of participation were filed. On January 25, 2022, Staff filed its direct testimony. On February 1, 2022, Dominion filed its rebuttal testimony.

Due to the ongoing public health issues related to the spread of the coronavirus, or COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on February 15, 2022. No public witnesses appeared to testify at the hearing.<sup>1</sup> The Company and Staff participated at the hearing.

On February 24, 2022, the Hearing Examiner issued the Report of Mary Beth Adams, Hearing Examiner ("Report"). As stated in the Report,

Based on the evidence received in this case, I find that the Commission should approve an updated Rider US-4 RAC revenue requirement calculation of \$15.604 million, but should limit updated Rider US-4 rates to the noticed revenue requirement of \$15.473 million.

<sup>1</sup> Tr. 4.

Additionally, I find that Rider US-4 rates should be designed to recover the \$15.473 million revenue requirement based on the allocation and rate design methodology proposed by the Company.<sup>2</sup>

On March 2, 2022, Dominion filed a letter in lieu of comments supporting the findings and recommendations set forth in the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement for Rider US-4 of \$15,473,000 for the 2022 Rate Year is hereby approved. In approving these requests, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) Rider US-4 for the 2022 Rate Year, with a revenue requirement in the amount of \$15,473,000, is approved and pursuant to Code § 56-585.1 A 7, the Company may implement Rider US-4, as approved herein, for service rendered on and after 60 days from the date of this Final Order. Alternatively, as requested by the Company, Dominion may implement Rider US-4, as approved herein, for service rendered on and after June 1, 2022.

(2) The Company forthwith shall file revisions to Rider US-4 and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(3) On or after August 1, 2022, the Company shall file an application to revise Rider US-4 effective April 1, 2023.

(4) This case is dismissed.

<sup>2</sup> Report at 10.

**CASE NO. PUR-2021-00126  
MARCH 29, 2022**

PETITION OF  
COLLEGIATE CLEAN ENERGY, LLC UNIVERSITY OF LYNCHBURG MADISON ENERGY HOLDINGS LLC

For injunctive and declaratory relief against Appalachian Power Company

**FINAL ORDER**

On June 11, 2021, Collegiate Clean Energy, LLC ("Collegiate"), University of Lynchburg (the "University") and Madison Energy Holdings LLC ("Madison") (collectively, "Petitioners") filed a petition ("Petition") for injunctive and declaratory relief from the State Corporation Commission ("Commission"). The Petitioners requested an order prohibiting Appalachian Power Company ("APCo") from (i) denying the University its right to participate in the purchased power agreement ("PPA") pilot program established by § 56-594.02<sup>1</sup> of the Code of Virginia ("Code") ("PPA Pilot Program") without invalidating the University's agreement to continue to purchase, pursuant to Code § 56-577 A 5 ("Subsection A 5"), electricity supply from Collegiate, and (ii) denying Madison its right to sell electricity to the University pursuant to the PPA Pilot Program unless the University surrenders its right to purchase electricity supply from Collegiate.<sup>2</sup>

In the alternative, Petitioners requested a declaratory judgment finding that (a) the University has the right to purchase 100% renewable energy from Collegiate pursuant to Subsection A 5, provided the University has an electricity supply agreement with Collegiate that was executed prior to APCo filing its "approved tariff for electric energy provided 100 percent from renewable energy," Rider WWS, on January 31, 2019,<sup>3</sup> even if the supply provided by Collegiate to the University is reduced as a result of the University participating in the PPA Pilot Program, and (b) that such participation does not invalidate the University's electricity supply agreement with Collegiate.<sup>4</sup>

<sup>1</sup> Petition at 2. The Petitioners cited to Code § 56-592.02, which does not appear in the Code. We also note that the Petition cited Code §§ 56-594 and 56-594.02 in other portions of the document. *See id.* at 5, 7, 8, and 10. Further, APCo's responsive pleading filed in this case on July 6, 2021, made several references to Code § 56-594.02, and none to Code § 56-592.02. *See, e.g.,* Responsive Pleading of Appalachian Power Company at 5, 6, 7, and 10. We thus proceed as if the reference to Code § 56-592.02 in the Petition is a reference to Code § 56-594.02.

<sup>2</sup> Petition at 2.

<sup>3</sup> Code § 56-577 A 5. Rider WWS was approved by the Commission as a Subsection A 5 tariff. *See Application of Appalachian Power Company, For approval of a 100% renewable energy rider pursuant to § 56-577 A 5 of the Code of Virginia*, Case No. PUR-2017-00179, 2019 S.C.C. Ann. Rept. 179, Order Approving Tariff (Jan. 7, 2019).

<sup>4</sup> Petition at 2.

APCo timely filed a responsive pleading to the Petition ("Response") which included a demurrer ("Demurrer"), in which APCo requested that the Commission "dismiss the Petition as it fails to state a cause of action upon which relief can be granted."<sup>5</sup> In the alternative, APCo asked that the Commission "find at a minimum that Collegiate has no standing to seek the relief that the Petition appears to request."<sup>6</sup>

On July 19, 2021, the Commission entered an Order in which it docketed the Petition and assigned the case to a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

By Ruling entered on August 30, 2021, the Hearing Examiner found APCo's Demurrer should be granted in part and denied in part. The Hearing Examiner found: (i) APCo's Demurrer to dismiss the Petitioners' request for a prohibitory injunction should be granted; (ii) APCo's Demurrer to dismiss the Petitioners' request for a declaratory judgment should be denied; and (iii) APCo's Demurrer to dismiss Collegiate as a party to this proceeding on the ground that Collegiate lacks standing should be denied.<sup>7</sup>

By Hearing Examiner's Ruling entered on October 8, 2021, the Hearing Examiner adopted a proposed procedural schedule agreed to by the parties. On November 12, 2021, the parties filed a Joint Statement of Undisputed and Disputed Facts and Threshold Legal Issues.<sup>8</sup> The parties identified the two Threshold Issues to be resolved in this case without an evidentiary hearing.<sup>9</sup> The parties identified no disputed facts relevant to resolving the Threshold Issues.<sup>10</sup>

The Petitioners and APCo timely filed Initial and Reply Briefs.

On January 14, 2022, Senior Hearing Examiner Michael D. Thomas filed his report ("Hearing Examiner's Report").<sup>11</sup> The Hearing Examiner found that, after considering the record in this matter, "[b]ased on the unambiguous language of the Supply Agreement, [...] the Supply Agreement precludes the University from entering into a third-party solar PPA pursuant to the PPA Pilot Program."<sup>12</sup> The Hearing Examiner recommended that the Commission enter an order denying the relief requested in the Petition.<sup>13</sup>

On February 4, 2022, the Petitioners and APCo each filed responses to the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Petitioners' request for injunctive and declaratory relief is denied. The Commission addresses the parties' agreed-to threshold legal issues below, *seriatim*. The Commission's finding on each such issue, standing alone, results in denial of Petitioners' request.

First, the Commission finds that the plain language of the Supply Agreement, entered into in 2013, does *not* "permit[] the University to self-supply electric energy from a proposed solar-powered electrical generation facility under a PPA, in accordance with Va. Code § 56-594.02 governing customer-generators."<sup>14</sup> The Commission has considered the contractual intent proffered by Collegiate and the University, the parties to the agreement.<sup>15</sup> The Commission, however, concludes that the plain language of the agreement necessitates a finding that is contrary to the intent asserted by the contracting parties in the instant proceeding.<sup>16</sup>

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<sup>5</sup> Response at 2.

<sup>6</sup> *Id.*

<sup>7</sup> August 30, 2021 Ruling at 5.

<sup>8</sup> The Joint Statement was filed in both public and confidential versions.

<sup>9</sup> Joint Statement at 2.

<sup>10</sup> *Id.* at 5.

<sup>11</sup> The Hearing Examiner's Report was filed in both public and confidential versions.

<sup>12</sup> Hearing Examiner's Report at 20.

<sup>13</sup> *Id.*

<sup>14</sup> The first threshold legal issue is "Whether the Supply Agreement permits the University to self-supply electric energy from a proposed solar-powered electrical generation facility under a PPA, in accordance with Va. Code § 56-594.02 governing customer-generators." Report at 10. The Commission does not herein quote the relevant provisions from the Supply Agreement, because Petitioners have designated such as confidential under Rule 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.

<sup>15</sup> The Commission has given no weight to the fact that the Supply Agreement does not reference the PPA Pilot Program.

<sup>16</sup> *See, e.g., Bolton v. McKinney*, 299 Va. 550, 554 (2021) ("The guiding light in the construction of a contract is the intention of the parties as expressed by them in the words they have used, and courts are bound to say that the parties intended what the written instrument plainly declares.") (internal quotation marks and citation omitted).

Specifically, for the prefix "self-" to be more than mere surplusage, the term "self-supply" must be read as giving such prefix its usual and ordinary meaning.<sup>17</sup> The prefix "self-" is defined as "I a : oneself or itself."<sup>18</sup> Thus, the plain meaning of such prefix does not encompass the involvement of (which in this instance would be purchasing from) a third party. Moreover, the word "supply" *without* the "self-" prefix would permit the University to do exactly what it proposes here, *i.e.*, to purchase electricity from a third party via a PPA. This further supports that, to provide purpose, the term "self-supply" is read such that the prefix "self-" is given its usual and ordinary definition.

Second, the Commission finds that the University would "not continue to have [the] right to purchase renewable energy from Collegiate while the University participates in the [PPA] Pilot Program."<sup>19</sup> Similar to the contractual analysis above, this conclusion is based on the plain language of Code § 56-594.02 C, which states in full:

Any third party power purchase agreement that is not entered into pursuant to the pilot program established pursuant to subsection A is prohibited in the Pilot Utility's service territory, unless such third party power purchase agreement is entered into between a licensed supplier and a retail customer pursuant to § 56-577 where such supplier is responsible for serving 100 percent of the load requirements for each retail customer account it serves.

The Commission finds that the language above permits the University to enter into a third party PPA pursuant to either (1) the PPA Pilot Program, or (2) Code § 56-577, but not both simultaneously.

Petitioners acknowledge that the above statute permits two types of third party PPAs: one under the PPA Pilot Program; and one under Code § 56-577.<sup>20</sup> Petitioners further assert that this statute does "not to restrict a customer's ability to do both [simultaneously]."<sup>21</sup> The Commission, however, finds that the following language from Code § 56-594.02 C makes it impossible to do both simultaneously: "unless such third party power purchase agreement is entered into between a licensed supplier and a retail customer pursuant to § 56-577 where such supplier is responsible for serving *100 percent of the load requirements* for each retail customer account it serves" (emphases added).

The statute does not define "load." The plain, ordinary meaning of "load" in this context is: "8 a : power output (as of an engine, motor, power plant, or source of electric current) or power consumed (as by a device or circuit)."<sup>22</sup> Because the statute applies to the load requirements of the retail customer, the particular meaning of "load" for this purpose is "power consumed" (emphasis added). Thus, the second type of third party PPA permitted by statute is when a licensed supplier (under Code § 56-577) serves 100% of the power consumed by the retail customer.<sup>23</sup> As a result, if the licensed supplier is serving 100% of the retail customer's power consumption requirements, there is nothing left to be served by a third party PPA under the PPA Pilot Program.<sup>24</sup>

Accordingly, IT IS SO ORDERED, and this case is DISMISSED.

<sup>17</sup> See, e.g., *TravCo Ins. Co. v. Ward*, 284 Va. 547, 552 (2012) ("Words that the parties used are normally given their usual, ordinary, and popular meaning.") (internal quotation marks and citation omitted). See also APCo's Reply Brief at 4-5.

<sup>18</sup> Webster's Third New International Dictionary 2059 (2002). This definition similarly includes "I b : of oneself or itself," and "I c : by oneself or itself : independent : automatic." *Id.*

<sup>19</sup> The second threshold legal issue is "After taking into consideration APCo's tariff, applicable law and regulations, and Commission precedent, would the University continue to have the right to purchase renewable energy from Collegiate while the University participates in the [PPA] Pilot Program, or would the University not continue to have that right to purchase renewable energy from Collegiate while the University participates in the [PPA] Pilot Program?" Report at 10.

<sup>20</sup> Petitioners state that as set forth in this statute, "a customer could enter into two different types of PPAs: (i) a PPA with a developer of solar-powered electric generating facilities pursuant to the PPA Pilot Program, established by Va. Code § 56-594.02, and (ii) a PPA with a licensed supplier pursuant to Va. Code § 56-577...." Petitioners' Initial Brief at 10.

<sup>21</sup> *Id.*

<sup>22</sup> Webster's Third New International Dictionary 1325 (2002). See, e.g., *Virginia Elec. and Power Co. v. State Corp. Comm'n*, 300 Va. 153, 162 (2021) ("Like the Commission, we find that the plain language ... is clear and unambiguous; thus, we will give the terms their ordinary meanings [as found in] Webster's Third New International Dictionary....") (internal quotation marks and citations omitted).

<sup>23</sup> The Commission need not reach the question of whether a customer may be served simultaneously by more than one licensed supplier under Code § 56-577. Madison proposes to serve the University under the PPA Pilot Program, not as a licensed competitive service provider under Code § 56-577. Moreover, the PPA Pilot Program statute explicitly states that sellers of electricity thereunder shall *not* "be construed as ... a competitive service provider...." Code § 56-594.02 E.

<sup>24</sup> The fact that Madison proposes to supply the University "behind the meter" does not change the definition of "load." The University's load is the power it consumes. Madison would be providing power output for the University's power consumption.

**CASE NO. PUR-2021-00127  
JANUARY 7, 2022**

PETITION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia

**FINAL ORDER**

On June 21, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition with the State Corporation Commission ("Commission") for approval of a plan for electric distribution grid transformation projects ("Petition") pursuant to § 56-585.1 A 6 ("Subsection A 6") of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities, 20 VAC 5-204-5 *et seq.* Specifically, Dominion seeks approval of Phase II of its ten-year plan to transform its electric distribution grid ("GT Plan" or "Plan"), which consists of proposed projects ("GT Projects") the Company seeks to deploy in 2022 and 2023 ("Phase II"). Pursuant to Subsection A 6, the Commission is required to issue its final order on the Petition within six months of the Company completing the filing of its Petition.<sup>1</sup>

The Company asserts that "Phase II projects, in tandem with a continued focus on grid reliability, will be vital to effectively accommodating the expected penetration of DERs [Distributed Energy Resources] in the near term resulting from recent policy developments, including the VCEA [Virginia Clean Economy Act]<sup>2</sup> and FERC Order 2222."<sup>3</sup> In addition to DER penetration, the Company asserts that grid modernization prepares the grid for customers' evolving expectations of electric reliability and resiliency as well as the stress imposed on the existing grid by adoption of new technologies, among other things.<sup>4</sup>

On July 14, 2021, the Commission issued an Order for Notice and Hearing that, among other things: established a procedural schedule for this case; set an evidentiary hearing date; directed Dominion to provide public notice of its Petition; and provided interested persons an opportunity to file comments on the Petition or to participate in the case as a respondent. Notices of participation were filed by: Appalachian Voices ("Environmental Respondent"); Walmart Inc. ("Walmart"); the Smart Thermostat Coalition ("STC"); and the Virginia Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). The Company, Environmental Respondent, Walmart, STC, and Staff pre-filed testimony in this matter.<sup>5</sup>

On October 8, 2021, the Commission convened a hearing on the Company's Petition and received public witness testimony as scheduled.<sup>6</sup> The evidentiary portion of the hearing was held on October 12-13, 2021.<sup>7</sup> The Commission received testimony and exhibits from Dominion, Environmental Respondent, STC, Walmart, and Staff. Post-hearing briefs were filed by Dominion, Environmental Respondent, STC, Walmart, Consumer Counsel, and Staff on November 16, 2021.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

Legal Provisions

The Commission has analyzed the Petition in accordance with the statutory standards applicable to this matter.<sup>8</sup>

As amended by the Grid Transformation and Security Act ("GTSA"),<sup>9</sup> Code § 56-576 defines an "electric distribution grid transformation project" to mean:

a project associated with electric distribution infrastructure, including related data analytics equipment, that is designed to accommodate or facilitate the integration of utility-owned or customer-owned renewable electric generation resources with the utility's electric distribution grid or to otherwise enhance electric distribution grid reliability, electric distribution grid security, customer service, or energy efficiency and conservation, including advanced metering infrastructure; intelligent grid devices for real time system and asset information; automated control systems for electric distribution circuits and

<sup>1</sup> The Commission's Staff ("Staff") filed an Amended Memorandum of Completeness/Incompleteness stating the Company filed additional information on July 7, 2021, and that subsequent to such filing, the Petition was incomplete only with respect to the Company's requested waivers. The Commission granted the Company's requested waivers in its July 14, 2021 Order for Notice and Hearing in this case.

<sup>2</sup> 2020 Va. Acts chs. 1193, 1194.

<sup>3</sup> Dominion's Post-hearing Brief at 5. *See also Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 172 FERC 61,247 (2020).

<sup>4</sup> Dominion's Post-hearing Brief at 12.

<sup>5</sup> The Commission received written comments in this docket from multiple individuals and entities.

<sup>6</sup> The Commission received the oral testimony of two public witnesses. Tr. 8-22.

<sup>7</sup> Staff and all parties participated at the hearing.

<sup>8</sup> The Commission has also considered all of the evidence and arguments in the record of this proceeding. *See Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

<sup>9</sup> 2018 Va. Acts ch. 296.

substations; communications networks for service meters; intelligent grid devices and other distribution equipment; distribution system hardening projects for circuits, other than the conversion of overhead tap lines to underground service, and substations designed to reduce service outages or service restoration times; physical security measures at key distribution substations; cyber security measures; energy storage systems and microgrids that support circuit-level grid stability, power quality, reliability, or resiliency or provide temporary backup energy supply; electrical facilities and infrastructure necessary to support electric vehicle charging systems; LED street light conversions; and new customer information platforms designed to provide improved customer access, greater service options, and expanded access to energy usage information.

As amended by the GTSA, Subsection A 6 directs that:

A utility shall, without regard for whether it has petitioned for any rate adjustment clause pursuant to clause (vi), petition the Commission, not more than once annually, for approval of a plan for electric distribution grid transformation projects. Any plan for electric distribution grid transformation projects shall include both measures to facilitate integration of distributed energy resources and measures to enhance physical electric distribution grid reliability and security. In ruling upon such a petition, the Commission shall consider whether the utility's plan for such projects, and the projected costs associated therewith, are reasonable and prudent. Such petition shall be considered on a stand-alone basis without regard to the other costs, revenues, investments, or earnings of the utility; without regard to whether the costs associated with such projects will be recovered through a rate adjustment clause under this subdivision or through the utility's rates for generation and distribution services; and without regard to whether such costs will be the subject of a customer credit offset, as applicable, pursuant to subdivision 8 d. The Commission's final order regarding any such petition for approval of an electric distribution grid transformation plan shall be entered by the Commission not more than six months after the date of filing such petition.

Subsection A 6 further declares that: "[e]lectric distribution grid transformation projects are in the public interest."

Code § 56-585.1 D provides:

The Commission may determine, during any proceeding authorized or required by this section, the reasonableness or prudence of any cost incurred or projected to be incurred, by a utility in connection with the subject of the proceeding. A determination of the Commission regarding the reasonableness or prudence of any such cost shall be consistent with the Commission's authority to determine the reasonableness or prudence of costs in proceedings pursuant to the provisions of Chapter 10 (§ 56-232 et seq.).

The Commission also recognizes related legal and policy developments that envision increased interconnection of DERs on the distribution grid, including the passage of the VCEA and the issuance of FERC Order 2222. For example, the VCEA, among other things, expands net energy metering<sup>10</sup> and requires Dominion to "meet one percent of the [renewable energy portfolio standard] Program requirements in any given compliance year with . . . resources of one megawatt or less located in the Commonwealth . . ."<sup>11</sup> Additionally, as described by Dominion, FERC Order 2222:

requires each regional transmission operator to create models for DERs to aggregate and participate in their wholesale markets on a comparable level with other resources [and] defines DER broadly to include "any resource located on the distribution system," which can include "storage resources, distributed generation, demand response, energy efficiency, thermal storage, and electric vehicles and their supply equipment."<sup>12</sup>

<sup>10</sup> Code § 56-594 E.

<sup>11</sup> Code § 56-585.5 C.

<sup>12</sup> Ex. 2 (Petition) at Exhibit 1, GT Plan Document at 6.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

This proceeding is the third GT Plan petition filed by Dominion pursuant to Subsection A 6. It is also the first GT Plan petition filed since passage of the VCEA. The Company first proposed its GT Plan in Case No. PUR-2018-00100,<sup>13</sup> which the Company calls "Phase IA." The Company proposed additional GT Plan investments in Case No. PUR-2019-00154,<sup>14</sup> which the Company calls "Phase IB."<sup>15</sup> Dominion projects that Phase II, as proposed in this proceeding, would require capital spending of \$666.5 million<sup>16</sup> and a lifetime revenue requirement of approximately \$1.8 billion, including financing costs.<sup>17</sup>

For purposes of this Order, the Commission has grouped the Company's proposed Phase II projects into several categories of related elements. These categories and the costs of each for Phase II are as follows: (i) advanced metering infrastructure ("AMI"): \$198.3 million; (ii) the customer information platform ("CIP"): \$203.9 million; (iii) grid infrastructure, which comprises targeted corridor improvement: \$16.3 million, and voltage island mitigation: \$11.4 million; (iv) Grid Technologies, which includes: intelligent grid devices ("IGD"): \$29.12 million, fault location, isolation, and service restoration ("FLISR"): \$10.9 million, a distributed energy resource management system ("DERMS"): \$5.2 million, the enterprise asset management system ("EAMS"): \$20 million, voltage optimization enablement: \$97.1 million, and substation technology deployment: \$32.1 million; (v) telecommunications: \$102 million; (vi) cyber security: \$9.3 million; (vii) physical security: \$37.5 million; and (viii) customer education: \$3 million.<sup>18</sup>

The Commission notes that several of the Company's proposals in this proceeding are incremental continuations of projects the Commission previously approved in Phase IA<sup>19</sup> and Phase IB.<sup>20</sup> Other proposals are for projects for which the Commission previously denied approvals, without prejudice, in Phase IA and Phase IB.

<sup>13</sup> *Petition of Virginia Electric and Power Company, For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2018-00100, 2019 S.C.C. Ann. Rept. 234, Final Order (Jan. 17, 2019) ("2018 GT Plan Final Order").

<sup>14</sup> *Petition of Virginia Electric and Power Company, For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia, and for approval of an addition to the terms and conditions applicable to electric service*, Case No. PUR-2019-00154, 2020 S.C.C. Ann. Rept. 318, Final Order (Mar. 26, 2020) ("2019 GT Plan Final Order").

<sup>15</sup> The Company has a pending proceeding before the Commission to recover costs associated with its GT Plan wherein the Company seeks approval of a rate adjustment clause ("RAC"), Rider GT, to recover costs related to GT Projects approved in Phase IA and Phase IB. See *Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider GT, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR 2021-00083, Doc. Con. Cen. No. 210820230, *Petition of Virginia Electric and Power Company and Request for Limited Waivers* (Aug. 13, 2021).

<sup>16</sup> Ex. 34 (Woomer Rebuttal), Rebuttal Schedule 1. Phase II GT Plan spending, including both capital and operations and maintenance ("O&M") expenses, is projected to be \$776.12 million. *Id.* See also Ex. 33 (Staff-PE-1), Rebuttal Table 2.

<sup>17</sup> Ex. 13 (Lee Direct), Schedule 1 at 1. Staff calculated the estimated lifetime revenue requirement, which includes O&M expenses, depreciation expense, financing costs, and property taxes as \$1.35 billion. Ex. 33 (Staff-PE-1), Rebuttal Table 1. Staff's calculation updated the Company's estimated lifetime revenue requirement based on the Company's inadvertent inclusion of amounts not attributable to its Phase II proposals for AMI, CIP, and cyber security. Staff excluded such amounts in its calculation, and also corrected a minor difference in the Company's calculation of the physical security project lifetime revenue requirement. Ex. 32 (Clayton Direct) at n.1. The estimated lifetime revenue requirement was further updated based on the Company's presentation of updated amounts for CIP and the cyber security project in rebuttal testimony.

<sup>18</sup> Ex. 33 (Staff-PE-1), Rebuttal Table 2.

<sup>19</sup> In the 2018 GT Plan Final Order, the Commission approved the costs of elements for cyber and physical security, and for some telecommunications elements. The Commission did not approve the costs associated with AMI and related elements; IGD, operations and automated control systems, and emerging technology; and grid hardening.

<sup>20</sup> In the 2019 GT Plan Final Order, the Commission approved the costs of cyber security, stakeholder engagement and customer education, the CIP, pilot programs and hosting capacity analysis, and certain components of grid hardening, subject to certain requirements. The Commission did not approve the costs associated with AMI, the self-healing grid and related investments, and certain other components of grid hardening.

The case participants' positions on the Company's Phase II proposals differ. Staff supports the Commission's approval of the Company's proposals for the CIP, the grid infrastructure components, physical security, cyber security, telecommunications, and customer education.<sup>21</sup> Staff also supports approval of the Grid Technologies components of voltage optimization enablement, EAMS, IGD and FLISR, but takes no position on the Company's substation technology deployment proposal.<sup>22</sup> Staff does not oppose the Company's AMI proposal.<sup>23</sup> Staff opposes approval of the Grid Technologies component of DERMS.<sup>24</sup> Consumer Counsel takes no position on the Company's proposals for AMI, telecommunications, and the grid infrastructure components.<sup>25</sup> Consumer Counsel opposes approval of all of the Company's proposed Grid Technologies components, but is not opposed to the CIP, physical security, cyber security, and customer education proposals.<sup>26</sup> Walmart does not oppose any Phase II proposal.<sup>27</sup> STC did not assert a position to approve or disapprove any Phase II proposal.<sup>28</sup> Environmental Respondent argues that the Commission should deny the Company's Phase II proposal in its entirety.<sup>29</sup>

After consideration of the entire record and the applicable law, as set forth in more detail below, we find that the Phase II GT Projects and associated costs approved herein are reasonable and prudent, subject to certain requirements, including cost caps, as discussed further herein. We also direct the Company to take specific actions regarding the implementation of approved Phase II GT Projects as well as the filing of its next GT Plan petition, as discussed herein.

In making its findings and determinations, the Commission has followed all applicable statutory provisions. In considering the Company's cost-benefit analysis results, we find, as in the 2019 GT Plan Final Order, that the Company's cost-benefit analysis is relevant and should be weighed along with other relevant evidence in the record. We have evaluated the Company's proposed spending on a project-by-project basis in consideration of all evidence in the record to determine whether such proposals are reasonable and prudent, recognizing that the General Assembly has declared GT Projects to be in the public interest.

We continue to decline to establish a specific cost-benefit test for approval of any proposed project.<sup>30</sup> The Company should, however, continue to perform a robust cost-benefit analysis with various sensitivities going forward. The Company should also include a more thorough projection of DER penetrations, and anticipated reliability impacts, within the Company's service territory going forward.

#### Advanced Metering Infrastructure

The Commission approves the Company's proposal to continue deployment of AMI by deploying approximately 1.1 million smart meters and associated infrastructure during Phase II.<sup>31</sup> Our decision is impacted by the following factors, among others:

<sup>21</sup> Staff's Post-hearing Brief, Attachment A (Revised).

<sup>22</sup> *Id.*

<sup>23</sup> Staff does not oppose approval of the AMI proposal if the Commission determines that its previous concerns as expressed in the 2018 and 2019 GT Plan Final Orders have been addressed by the Company in Phase II. *See* Ex. 26 (Cizenski Direct) at 12.

<sup>24</sup> Staff's Post-hearing Brief, Attachment A (Revised).

<sup>25</sup> Consumer Counsel's Post-hearing Brief, Issues Matrix.

<sup>26</sup> *Id.*

<sup>27</sup> Walmart requests that the Commission order Dominion to take certain steps related to the implementation of Green Button Connect My Data ("CMD") functionality, which Walmart argues will enable commercial and industrial customers to fully access the benefits of the interval usage data provided by AMI and the CIP. In the alternative, Walmart requests that the Commission initiate a proceeding in advance of the Company's next GT Plan filing to address any potential questions regarding implementation of CMD functionality. Walmart's Post-hearing Brief at 4-5.

<sup>28</sup> STC did express concerns related to, among other things, the Company's failure to include smart thermostats in its AMI proposal. *See* STC's Post-hearing Brief.

<sup>29</sup> Environmental Respondent asserts that, if the Commission does not deny the Company's Phase II proposal outright, the Commission should condition AMI approval on the Company's implementation of a universal peak time rebate and CMD functionality. Environmental Respondent's Post-hearing Brief at 28-29.

<sup>30</sup> Several case participants took issue with the Company's use of the U.S. Department of Energy's Interruption Cost Estimate ("ICE") calculator in conducting its cost-benefit analysis. Ex. 30 (Volkman Direct) at 15-17; Ex. 20 (Alvarez Direct) at 13-16. While we make no finding herein restricting the use of the ICE calculator, we direct the Company to research available alternatives to its use and provide a cost-benefit analysis using at least one additional alternative methodology, if available, in the Company's next GT Plan filing. If no such alternative is available, the next GT Plan filing should describe the Company's research efforts and discuss why other options are not comparable to the ICE calculator. Further, the Company shall modify its use of the ICE calculator by developing an improved methodology for quantifying the reliability benefits from GT Plan components that impact only a subset of customers, which the Company has agreed to do. Tr. 313. *See* Ex. 42 (Trump Rebuttal) at 12-13.

<sup>31</sup> We note the Company's commitment that costs associated with Phase II AMI deployment will not be subject to a RAC petition. Ex. 13 (Lee Direct) at 3.

- In contrast to prior GT Plan filings, Dominion has implemented, as of January 2021, an experimental time-of-use rate, Schedule 1G.<sup>32</sup> In approving Schedule 1G, the Commission found that its implementation is "an initial step toward the potential development of a systemwide rate design for [Time of Use, "TOU"] rates."<sup>33</sup>
- As part of this Petition, Dominion has provided a timeline for system-wide implementation of time-varying rates and a timeframe in which it will request Commission approval of an opt-in system-wide peak time rebate program.<sup>34</sup>
- Automated Meter Reading ("AMR") meters have considerable functional limitations compared to AMI meters, which enable advanced time-varying rates, enhance demand-side management ("DSM") programs, and enhance grid operations by functioning as end-of-line sensors. These sensors generate premise-level data that is increasingly important given the expansion of DERs behind customer meters (such as electric vehicles and self-generation facilities).<sup>35</sup>
- AMR meters have limited vendor support due to their obsolescence.<sup>36</sup>
- Dominion competitively bid for each major AMI component, including smart meter suppliers.<sup>37</sup>
- Dominion's meter cost per customer compares favorably to other industry experience.<sup>38</sup>

As part of the Commission's AMI approval, we direct the Company to describe in its next GT Plan filing how it is optimizing AMI deployment in coordination with its DSM programs and TOU rates. With regard to the Environmental Respondent's request that the Commission require the Company to develop and incorporate a universal peak time rebate with its AMI rollout,<sup>39</sup> we decline to make such a requirement at this time.<sup>40</sup> The peak time rebate program, like other options including smart thermostat programs, can be explored as part of the Company's ongoing DSM-focused stakeholder process.<sup>41</sup>

#### Customer Information Platform

We approve Dominion's proposed Phase II CIP proposal as a continuation of our previous approval in Phase IB of the GT Plan. The Company represents that the CIP will modernize the customer relationship, provide customers with better information, and enable programs such as time-varying rates.<sup>42</sup> The Company has confirmed, and we require that, the CIP will include "the ability to retrieve and download energy usage interval data for multiple accounts in one file as recommended by Walmart, including in Green Button Download My Data ("DMD") format."<sup>43</sup>

Walmart asserted that Dominion should be required to make the CIP compatible with Green Button CMD functionality to allow Walmart and other customers to authorize a third-party vendor to obtain customers' interval data directly from Dominion in lieu of the customer having to transfer such data from Dominion to its vendor.<sup>44</sup> Dominion raised data access concerns with CMD implementation and cited a March 30, 2020 report from a stakeholder process on energy-related data access and privacy, which stated that the stakeholder group did not reach consensus on DMD or CMD and specifically noted multiple issues with CMD.<sup>45</sup> With these concerns in mind, we will require the Company to provide, in its next GT Plan filing, information on implementing CMD functionality including, but not limited to: (i) the overall cost of adding and supporting CMD functionality; (ii) how such costs should be borne by customers; (iii) how many customers Dominion would expect to use the CMD option if it were available; and (iv) how any data access issues will be

<sup>32</sup> Ex. 26 (Cizenski) at 21; *Application of Virginia Electric and Power Company, For approval to establish an experimental residential rate schedule, designated Time-Of-Use Rate Schedule 1G (Experimental)*, Case No. PUR-2019-00214, 2020 S.C.C. Ann. Rept. 388, Final Order Approving Experiment (May 20, 2020).

<sup>33</sup> *Application of Virginia Electric and Power Company, For approval to establish an experimental residential rate schedule, designated Time-Of-Use Rate Schedule 1G (Experimental)*, Case No. PUR-2019-00214, 2020 S.C.C. Ann. Rept. 388, Final Order Approving Experiment (May 20, 2020).

<sup>34</sup> Ex. 2 (Petition) at Exhibit 1, GT Plan Document, Appendix D at 5; Ex. 26 (Cizenski Direct) at 21.

<sup>35</sup> Ex. 4 (Johnson Direct) at 16.

<sup>36</sup> *Id.* at 8.

<sup>37</sup> *Id.* at 13-14; Filing Schedule 46 B, Statement 1.

<sup>38</sup> Ex. 4 (Johnson Direct) at 14-15.

<sup>39</sup> Environmental Respondent's Post-hearing Brief at 28.

<sup>40</sup> We also note the Company has represented that it plans to propose a system-wide opt-in peak time rebate program as part of its DSM update filing in December 2022. *See* Ex. 2 (Petition) at Exhibit 1, GT Plan Document, Appendix D at 5.

<sup>41</sup> The Commission recognizes that ideas brought to the stakeholder group are for discussion. Whether or not such ideas are selected for proposal as part of a future GT Plan petition, or ultimately approved by the Commission, depends on a variety of factors, including the ability to turn that idea into a project that passes a cost-benefit analysis.

<sup>42</sup> Ex. 7 (Jennings Direct) at 8-9.

<sup>43</sup> Dominion's Post-hearing Brief at 21.

<sup>44</sup> Walmart's Post-hearing Brief at 1. CMD provides different functionality than DMD. *See, e.g.*, Ex. 15 (Teague Direct) at 7-8.

<sup>45</sup> Dominion's Post-hearing Brief at 22-23; Ex. 15 (Teague Direct), Attachment ADT-2, at 39-40. The stakeholder group and report were required by 1919 Va. Acts ch. 2332.

addressed.<sup>46</sup> Dominion shall provide the foregoing information in its next GT Plan filing whether or not the Company proposes to implement CMD. Further, though the Commission will not at this time require Dominion to ensure that the CIP is CMD compatible, the Commission prohibits the Company from intentionally constructing the CIP in a manner that would create an impossibility for the Company to later add CMD functionality.

#### Cyber Security

For Phase II, the Company proposes to deploy cyber security necessary to protect the information technology and operational technology proposed for other Phase II projects.<sup>47</sup> As represented by the Company, such cyber security investments are needed to enhance the security of the grid to prevent and mitigate damage caused by cyber-attacks.<sup>48</sup> In consideration of the record in this proceeding and our determinations in the 2018 and 2019 GT Plan Final Orders,<sup>49</sup> the Commission approves the Company's Phase II cyber security proposal as needed to support the Phase II GT Projects that the Commission approves herein.

#### Telecommunications

Dominion proposes to build upon the progress made with its Phase I telecommunications-related approvals by continuing to deploy the Tier 2 network, extending high-speed connectivity and multi-protocol switching technology.<sup>50</sup> We approve the telecommunications component of Phase II.<sup>51</sup>

#### Customer Education

For Phase II, the Company plans to continue investments in customer education, including stakeholder engagement, as necessary to support other projects.<sup>52</sup> Staff found that the customer education proposal, if properly implemented, would provide valuable opportunities to improve customer awareness of new programs and obtain customer input on such programs.<sup>53</sup> We agree. As noted by the Company, customer education will ensure that the full benefits of other GT Projects are realized by educating customers on the opportunities that such projects provide.<sup>54</sup> The Commission approves customer education costs to the extent they are necessary to support the Phase II GT Projects approved herein.<sup>55</sup>

#### Physical Security

For Phase II, the Company proposes to continue its previously-approved program by hardening an additional twelve critical distribution substations.<sup>56</sup> In the 2018 GT Plan Final Order, we approved the Company's Phase IA physical security proposal, noting that "the Commission generally supports reasonable utility spending to support enhanced utility security."<sup>57</sup> Staff found that the Company's Phase II physical security proposal should serve, among other things, to help mitigate adverse events and improve reliability.<sup>58</sup> We agree and approve the costs of the proposed Phase II physical security component.

<sup>46</sup> Ex. 15 (Teague Direct), Attachment ADT-2, at 39-40.

<sup>47</sup> Ex. 9 (Bransky Direct) at 11.

<sup>48</sup> *Id.* Staff supports this proposal. See Ex. 26 (Cizenski Direct) at 13.

<sup>49</sup> See 2018 GT Plan Final Order, 2019 S.C.C. Ann. Rept. at 236; 2019 GT Plan Final Order, 2020 S.C.C. Ann. Rept. at 321.

<sup>50</sup> Ex. 8 (Carroll Direct) at 4.

<sup>51</sup> This proposal continues the upgrade of the Company network while allowing the Company to prioritize customer needs without reliance on third parties when issues arise.

<sup>52</sup> Dominion's Post-hearing Brief at 47. See also Ex. 2 (Petition) at Exhibit 1, GT Plan Document, Appendix C at 1; Ex. 6 (Frost Direct) at 11.

<sup>53</sup> Ex. 26 (Cizenski Direct) at 14.

<sup>54</sup> Ex. 6 (Frost Direct) at 11. The Company gives the examples of time-varying rates and access to interval data as specific opportunities for customers.

<sup>55</sup> *Id.*

<sup>56</sup> The Company proposes to strengthen the substation perimeter, secure access points to and within the substations, and improve capabilities to monitor and detect threats. Ex. 9 (Bransky Direct) at 7.

<sup>57</sup> 2018 GT Plan Final Order, 2019 S.C.C. Ann. Rept. at 236.

<sup>58</sup> Ex. 26 (Cizenski Direct) at 18.

### Grid Infrastructure

The Company's proposed grid infrastructure component of Phase II consists of two projects: targeted corridor improvement and voltage island mitigation.<sup>59</sup> The Phase II targeted corridor improvement project, which would target ash tree mortality and ground floor maintenance, would continue the work approved by the Commission in Phase I,<sup>60</sup> and the Company states that its approval should continue to improve reliability and improve access to right-of-way.<sup>61</sup> The voltage island mitigation project in Phase II would address four voltage islands.<sup>62</sup>

The proposed projects are limited in scope, enhance reliability, are consistent with previously approved programs, and the costs are based on existing contracts.<sup>63</sup> We approve these projects for Phase II. We further direct the Company to track and report the measurable benefits of the voltage island mitigation projects.<sup>64</sup>

### Grid Technologies

For Phase II, the Company has proposed multiple projects that it labels as "Grid Technologies" projects. The Grid Technologies projects are: IGD, FLISR, EAMS, voltage optimization enablement, substation technology deployment, and DERMS.<sup>65</sup>

According to the Company, IGD will provide the data necessary to understand and manage grid voltages and power flows along distribution feeders and will improve the hosting capacity analysis approved in Phase I of the GT Plan.<sup>66</sup> FLISR is a control system to automatically isolate outages and reroute power to restore service quickly.<sup>67</sup> The Company proposes to deploy IGD on 32 feeder segments, focusing on areas where customers have poor service reliability and will receive an immediate benefit from the pairing of IGD with FLISR, thereby reducing outage-related O&M expense.<sup>68</sup> Staff supports these projects though Staff recommends that, if the Commission approves these two components, the Company be required to track and report the planned and actual costs and reliability improvements for the feeder segments on which these components are deployed.<sup>69</sup>

Dominion explains that EAMS is a system that aggregates operational, inspection, and maintenance data for various distribution assets and will provide the Company with the capability to manage many aspects of equipment at all points in the equipment's life cycle.<sup>70</sup> Like the IGD and FLISR proposals, the Company asserts that Phase II EAMS deployment should enhance reliability, as well as safety, as DER growth accelerates.<sup>71</sup>

Dominion's voltage optimization enablement proposal includes initial improvements to allow the Company to lower voltage levels within prescribed limits on feeders where AMI has been deployed.<sup>72</sup> The Company claims the full voltage optimization program would result in lower energy consumption for most customers without a noticeable difference in service level.<sup>73</sup>

<sup>59</sup> Ex. 5 (Wright Direct) at 8; Ex. 2 (Petition) at Exhibit 1, GT Plan Document at 22.

<sup>60</sup> Ex. 5 (Wright Direct) at 12-13.

<sup>61</sup> *Id.* at 13-14.

<sup>62</sup> *Id.* at 17-18. In Phase I, the Commission approved mitigation of two voltage islands. *Id.* at 16; Dominion's Post-hearing Brief at 24; Staff's Post-hearing Brief at 15.

<sup>63</sup> Ex. 26 (Cizenski Direct) at 25.

<sup>64</sup> Ex. 5 (Wright Direct) at 19.

<sup>65</sup> Ex. 2 (Petition) at Exhibit 1, GT Plan Document at 22-26.

<sup>66</sup> Ex. 5 (Wright Direct) at 21.

<sup>67</sup> *Id.* at 25.

<sup>68</sup> *Id.* at 24-27.

<sup>69</sup> Staff's Post-hearing Brief at 20; Ex. 30 (Volkman Direct) at 27.

<sup>70</sup> Ex. 5 (Wright Direct) at 30.

<sup>71</sup> *Id.*

<sup>72</sup> *Id.* at 35.

<sup>73</sup> Dominion's Post-hearing Brief at 4; Ex. 5 (Wright Direct) at 35. Dominion seeks approval of costs for infrastructure work as part of this filing and to include cost recovery related to software, implementation, and evaluation, measurement, and verification in its 2021 DSM filing. Ex. 44 (Wright Rebuttal) at 4. On December 14, 2021, Dominion made its DSM filing ("2021 DSM Update"), wherein it has proposed a Voltage Optimization Energy Efficiency Program. *See Application of Virginia Electric and Power Company, For approval of its 2021 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2021-00247, Doc. Con. Cen. No. 211220149, Application (Dec. 14, 2021). This Order addresses the Company's voltage optimization enablement proposal only.

The Company proposes a substation technology deployment project composed of two components. First, Dominion proposes the targeted modernization of specific distribution substations and deployment of power quality monitoring equipment at other critical locations.<sup>74</sup> Specifically, Dominion proposes to upgrade equipment and install technologies to protect, monitor, and control the distribution grid at select locations that serve customers in urban areas with higher trends of DER and electric vehicle adoption.<sup>75</sup> According to the Company, these substations operate at low voltage<sup>76</sup> and have no existing operational visibility or control capability.<sup>77</sup> The proposed project also includes the installation of power quality monitoring equipment at 200 locations, which the Company asserts will improve its grid performance and provide necessary situational awareness for daily grid operations and DER integration.<sup>78</sup> Second, Dominion requests approval to pilot new substation technologies at five specific locations to gain experience and collect data on these technologies.<sup>79</sup> Staff verified that the feeders associated with the targeted substations have a voltage level indicating a typically lower hosting capacity to support DERs than higher voltage feeders.<sup>80</sup>

Dominion also proposes DERMS, which the Company explains is centralized software to manage DERs and associated programs by collecting data from various sources to monitor DERs, analyzing that data, and then recommending or issuing commands to DERs to maintain operation of the grid.<sup>81</sup> The Company asserts that DERMS is needed to manage the increasing levels of DERs on the Company's system in a manner that maintains a safe and reliable grid, as well as to prepare to support wholesale market participation for DER aggregations as mandated by FERC Order 2222.<sup>82</sup> Dominion also represents that DERMS is scalable, permitting the Company to deploy DERMS now for a relatively low initial capital cost of approximately \$5.2 million and then scale it as DER penetration increases.<sup>83</sup> Staff opposes approval of DERMS. Staff determined the current DER penetration to be relatively low compared to that of other utilities across the country and also highlighted uncertainty surrounding PJM's<sup>84</sup> FERC Order 2222 compliance filing.<sup>85</sup> Staff argued that the majority of the Company's distribution system is able to safely and reliably accommodate higher DER penetrations and found the implementation of a DERMS in Phase II to be premature.<sup>86</sup>

In response to these concerns, the Company offered an alternative proposal for DERMS implementation. The Company suggested that the Commission's approval of the DERMS proposal could be conditioned on the Company filing a report once PJM files its FERC Order 2222 compliance filing to confirm whether the Company's proposed DERMS project would satisfy PJM's requirements.<sup>87</sup> The Company represents that it will postpone implementing DERMS until such time as the report is filed.<sup>88</sup>

With respect to the proposed Grid Technologies projects, we first approve IGD and FLISR deployment, EAMS, voltage optimization enablement, and substation technology deployment. As to IGD and FLISR, we approve the projects as targeted to 32 mainfeeders. We note that, unlike the Company's Phase IB proposal, the IGD and FLISR proposals in this Petition are limited, targeted at feeder segments with below-average reliability.<sup>89</sup> Our approval of the pilot-like IGD and FLISR proposals should, as Staff Witness Volkmann asserts, "provide[] an opportunity for Dominion to demonstrate the realization of the expected reliability improvements."<sup>90</sup> As part of our approval herein, we require the Company to track and report the planned and actual costs and reliability improvements for the feeder segments on which the technologies are deployed.

<sup>74</sup> Ex. 44 (Wright Rebuttal) at 8.

<sup>75</sup> *Id.* at 8-9; Ex. 5 (Wright Direct) at Schedule 6. *See also* Dominion's Post-hearing Brief at 40. Dominion claims there is an urgent need for this component given the increasing importance of the interaction effects between transmission and distribution systems. *Id.*

<sup>76</sup> All nine substations are at 13.2 kV voltage level and below. Tr. 311-312, 508.

<sup>77</sup> Ex. 44 (Wright Rebuttal) at 10.

<sup>78</sup> *Id.* at 9.

<sup>79</sup> *Id.*

<sup>80</sup> Staff's Post-hearing Brief at 22-23; Tr. 311-312.

<sup>81</sup> Ex. 4 (Johnson Direct) at 31, 33, 37; Tr. 34.

<sup>82</sup> Ex. 4 (Johnson Direct) at 37.

<sup>83</sup> *Id.* at Schedule 8; Dominion's Post-hearing Brief at 31.

<sup>84</sup> PJM Interconnection, L.L.C., regional transmission organization.

<sup>85</sup> Ex. 30 (Volkmann Direct) at 7-10, 36. Consumer Counsel and Environmental Respondent expressed similar concerns. *See* Consumer Counsel's Post-hearing Brief at 5-9; Environmental Respondent's Post-hearing Brief at 6-9.

<sup>86</sup> Ex. 30 (Volkmann Direct) at 36.

<sup>87</sup> Ex. 36 (DEV-PE-16).

<sup>88</sup> *Id.* Dominion's Post-hearing Brief at 32-33.

<sup>89</sup> Ex. 30 (Volkmann Direct) at 12, 26.

<sup>90</sup> *Id.* at 27.

Regarding voltage optimization enablement, the Environmental Respondent noted correctly that substantive parts of this program are being proposed as part of the Company's pending 2021 DSM Update.<sup>91</sup> As such, the Commission's approval in this case is contingent upon the Commission's approval of the Voltage Optimization Energy Efficiency Program Dominion has proposed in its 2021 DSM Update.

As to DERMS, we recognize that a premature implementation of DERMS, without any assurance of compliance with FERC Order 2222 related requirements, could result in unnecessary investment by the Company and unnecessary costs to consumers. We also note, however, that Dominion, who bears the risk for grid reliability, asserts that DERMS is needed now to maintain a reliable grid with increasing DER penetrations (including distributed generation, energy storage, electric vehicles, and demand response assets), that DERMS will take approximately 18-24 months to implement, and that DERMS is scalable, with a starting capital cost of \$5.2 million.<sup>92</sup> To balance these competing concerns, we condition approval upon notification that the Company's proposed DERMS meets the FERC Order 2222 requirements.<sup>93</sup> Dominion must file two reports in this docket, one report when PJM makes its FERC Order 2222 compliance filing, and a second report promptly after FERC has ruled upon PJM's compliance filing. Such reports must confirm that, to the best of the Company's knowledge, the Company's proposed DERMS meets the requirements of FERC Order 2222. The Company shall also report on the various uses of DERMS, including visibility of DERs across its system and the Company's ability to leverage DER smart inverter functionalities to provide grid support.<sup>94</sup>

#### Cost Caps

The Commission approves Dominion's spending on the Phase II components of the GT Plan noted herein up to the amount of capital and O&M costs proposed for each component by the Company in its Petition, as updated on rebuttal.<sup>95</sup> We do not find it reasonable and prudent for the Company to incur costs above these amounts. To the extent Dominion incurs costs exceeding these limits, the Company must prove such costs to be reasonable and prudent in a future proceeding before the Company will be permitted to recover such costs from ratepayers.<sup>96</sup> The imposition of cost caps herein is consistent with our 2019 GT Plan Final Order.<sup>97</sup>

#### Reporting Requirements

On or before March 31, 2022, and each year thereafter until further order of the Commission, the Company shall file an annual report on the approved elements of the Plan, including Phases IA, IB, and II, consistent with the Company's current and proposed reporting metrics.<sup>98</sup> In this case, Staff recommended further metrics for Dominion's reports,<sup>99</sup> and the Company has agreed to work with Staff to refine the metrics list for tracking the success of the GT Plan in Phase II.<sup>100</sup> The Company and Staff forthwith shall meet to refine the metrics list and shall file a letter documenting the agreed-upon metrics before Dominion's next annual report is filed. Starting with the next annual report, Dominion also shall include the agreed-upon metrics.

Further, Dominion shall provide information on how each Grid Technologies project will support integrated planning at the distribution system level and how such information will be used to inform the Company's next Integrated Resource Plan.<sup>101</sup> In accordance with Staff's recommendation and as noted above, Dominion's annual reports also shall include the Company's planned and actual costs and reliability improvements for the feeder segments on which IGD and FLISR are deployed. Also as noted above, the Company must track and report the measurable benefits of the voltage island mitigation projects and must report on the various uses of DERMS, including visibility of DERs across its system and the Company's ability to leverage DER smart inverter functionalities to provide grid support.

<sup>91</sup> Tr. 59 ("Dominion requests \$442 million to enable voltage optimization. That is across the ten-year plan that they have put in to the record . . . . That's [sic] \$442 million won't optimize the voltage. That will just enable the capability. The company says it will file the next step in its DSM filing, which, of course, will come with additional costs that haven't been quantified yet."). See also Dominion's Post-hearing Brief at 38; Dominion's 2021 DSM Update filed in Case No. PUR-2021-00247, *supra* n.73.

<sup>92</sup> Ex. 4 (Johnson Direct) at 42, 43; Tr. 425-426.

<sup>93</sup> Any funds Dominion spends on DERMS, including the initial capital outlay of \$5.2 million, are at the Company's own risk and subject to disallowance for recovery from ratepayers should DERMS fail to meet FERC Order 2222 requirements.

<sup>94</sup> The Company shall include the information on the various uses of DERMS, including visibility of DERs across the Company's system and the Company's ability to leverage DER smart inverter functionalities to provide grid support, in the Company's annual GT Plan reports to be filed on or before March 31 of each year, as discussed in the "Reporting Requirements" section of this Order.

<sup>95</sup> See discussion on pages 6-7, *supra*; Ex. 33 (Staff-PE-1), Rebuttal Table 2.

<sup>96</sup> The cost caps established herein shall be by individual program and shall be separate for capital and O&M costs. See Ex. 33 (Staff-PE-1), Rebuttal Table 2.

<sup>97</sup> 2019 GT Plan Final Order, 2020 S.C.C. Ann. Rept. at 327.

<sup>98</sup> Ex. 3 (Woomer Direct) at 16, Schedule 2.

<sup>99</sup> Ex. 30 (Volkman Direct) at 18-19.

<sup>100</sup> Dominion's Post-hearing Brief at 50; Tr. 376.

<sup>101</sup> Among other things, Code § 56-599 B requires "[i]n preparing an integrated resource plan, each electric utility shall systematically evaluate . . . [l]ong-term electric distribution grid planning and proposed electric distribution grid transformation projects . . . ."

Company's Residential Bill Compliance

In the Company's 2020 Integrated Resource Plan case,<sup>102</sup> both Staff and Consumer Counsel raised the issue of lack of transparency with respect to the Company's residential customer bill format.<sup>103</sup> In that proceeding, the Commission directed the Company to address three items in its next GT Plan filing: (i) the Company's plan and progress towards the redesign of the residential bill; (ii) whether the current bill continues to be sufficient under 20 VAC 5-312-90;<sup>104</sup> and (iii) alternative bill format proposals for the Commission's consideration.<sup>105</sup>

In response to these directives, among other things, the Company contends that its current bill format is sufficient and that it plans to complete its bill redesign in 2024, after what it calls the "Core Project" of the CIP is complete in 2023.<sup>106</sup> Staff and Consumer Counsel noted several areas of concern with the Company's current residential bill, both for paper bill and electronic-bill customers.<sup>107</sup> Among other items, Staff and Consumer Counsel noted the paper bill's lack of detail with respect to RAC rates and how to calculate these charges.<sup>108</sup> In addition, Staff and Consumer Counsel also raised the issue that a customer wishing to use the Company's online bill calculator worksheet to understand the bill must have Microsoft Excel software in order to utilize the tool.<sup>109</sup> Staff proposed several options for consideration that would make the current residential customer bill more transparent in the interim prior to the Company's planned bill redesign in 2024, including the option for the Company to include a bill insert with a table of the current billing rates for base rates and RACs.<sup>110</sup>

We agree with Staff and Consumer Counsel on the importance of customers receiving bills that they can understand. We also note that since 2007 the Company has expanded the use of RACs that add charges to customers' bills.<sup>111</sup> The Company states that it will continue to take steps to ensure that the online bill calculator worksheet is available and user-friendly for all customers, including those without Microsoft Excel software.<sup>112</sup> We hereby require the Company to do so. Further, we direct the Company to make available to any customer, upon request, a table that lists all current applicable charges and rates pertaining to that customer's bill as recommended by Staff and supported by Consumer Counsel.<sup>113</sup> The Company is further directed to notify customers, on their bills, of the availability of the table, as well as the appropriate phone number and e-mail address to make such request. The Company shall provide this notice under the "Important Customer Information from Dominion Energy Virginia" section of the bill or, alternately, at another location on the customer bill with equivalent visibility subject to the approval of Staff.

We also note that Dominion has averred that the CIP Core Project will be "live" in the second quarter of 2023<sup>114</sup> and that this component will enable bill redesign.<sup>115</sup> Dominion also has represented that the bill redesign will be informed by customer feedback and that the Company will ensure the redesigned bill meets customers' expectations and prevents customer confusion.<sup>116</sup> We direct the Company to plan for the timely receipt of customer feedback to allow bill redesign as soon as practicable after the CIP Core Project is live.

Dominion has also proposed to confer with Staff "on alternative paper bill formats prior to implementation to gain Staff's feedback" and to "provide a status update on the paper bill redesign including the research in its next Grid Transformation Plan proceeding."<sup>117</sup> We require the Company to confer with Staff as the Company has proposed, with the first meeting on alternative paper bill formats to occur as soon as reasonably practicable and in no event later than April 2023. During this first meeting, the Company also shall provide to Staff its plans to obtain customer feedback on the bill redesign, including dates of planned events or activities to obtain such feedback.

<sup>102</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, Doc. Con. Cen. No. 20121007, Final Order at n.77 (Feb. 1, 2021) ("2020 IRP Final Order").

<sup>103</sup> *Id.*

<sup>104</sup> Rule 20 VAC 5-312-90 I states that "[s]ufficient information shall be provided or referenced on the bill so that a customer can understand and calculate the billing charges."

<sup>105</sup> 2020 IRP Final Order at n.77.

<sup>106</sup> Ex. 39 (Jennings Rebuttal) at 4-5.

<sup>107</sup> Ex. 31 (Lohmeyer Direct) at 10-15; Consumer Counsel's Post-hearing Brief at 11-15.

<sup>108</sup> Ex. 31 (Lohmeyer Direct) at 13; Consumer Counsel's Post-hearing Brief at 12-13.

<sup>109</sup> Ex. 31 (Lohmeyer Direct) at 13; Consumer Counsel's Post-hearing Brief at 15.

<sup>110</sup> Ex. 31 (Lohmeyer Direct) at 14-16.

<sup>111</sup> *Id.* at 5-6, 15.

<sup>112</sup> Dominion's Post-hearing Brief at n.338.

<sup>113</sup> Ex. 31 (Lohmeyer Direct) at 14-16; Consumer Counsel's Post-hearing Brief at 15-16.

<sup>114</sup> Ex. 2 (Petition) at Exhibit 1, GT Plan Document at 21.

<sup>115</sup> Ex. 7 (Jennings Direct) at 10; Dominion's Post-hearing Brief at 57.

<sup>116</sup> Dominion's Post-hearing Brief at 57, 59.

<sup>117</sup> *Id.* at 58.



Environmental Justice

The Company has represented that it evaluated each of the Phase II GT Projects, consistent with the Virginia Environmental Justice Act,<sup>118</sup> to determine whether environmental justice concerns exist.<sup>119</sup> The evaluation revealed that certain Phase II GT Plan components will require work in environmental justice communities.<sup>120</sup> The Company also has represented that it engaged a third party consultant to further evaluate these Phase II components and will use the results thereof to inform its environmental strategy as it relates to the GT Plan.<sup>121</sup> Staff requested that the Commission require the Company to submit the third party's results to Staff upon completion.<sup>122</sup> We direct the Company to submit those results to Staff within 60 calendar days of the Company's receipt thereof.

Interconnection Issues

Staff raised several concerns related to Dominion's current DER interconnection process, particularly concerning the length of time to complete interconnection studies and the cost to interconnect a third party's facilities to Dominion's distribution system.<sup>123</sup> In response, Dominion made several commitments, which the Commission hereby directs to be implemented. Specifically, Dominion shall: (i) update its public small generator interconnection queue on a quarterly basis;<sup>124</sup> (ii) conduct planned upgrades to the Company's hosting capacity analysis<sup>125</sup> and evaluate options for adding additional information requested by Staff to the hosting capacity analysis;<sup>126</sup> (iii) finalize and publish a unit cost guide for DER developers by mid-2022;<sup>127</sup> and (iv) report semi-annually on interconnection process performance in a public report meeting the criteria discussed by Company Witness Frost and Staff Witness Volkman.<sup>128</sup>

Additionally, this Commission will, by separate order, open a separate docket to explore utility DER interconnection issues in a comprehensive manner.

Accordingly, IT IS SO ORDERED, and this matter is CONTINUED.

<sup>118</sup> Code § 2.2-234 *et seq.*

<sup>119</sup> Ex. 2 (Petition) at Exhibit 1, GT Plan Document at 17-18.

<sup>120</sup> *Id.* at 18.

<sup>121</sup> *Id.*

<sup>122</sup> Ex. 26 (Cizenski Direct) at 37.

<sup>123</sup> *Id.* at 27; Staff's Post-hearing Brief at 18.

<sup>124</sup> Ex. 38 (Frost Rebuttal) at 7.

<sup>125</sup> Ex. 5 (Wright Direct) at 6.

<sup>126</sup> Ex. 38 (Frost Rebuttal) at 8.

<sup>127</sup> *Id.*

<sup>128</sup> Dominion's Post-hearing Brief at 56-57; Ex. 38 (Frost Rebuttal) at 9-10; Tr. 314, 432.

**CASE NO. PUR-2021-00137  
FEBRUARY 22, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Line #235 Extension to Cloud 230 kV Switching Station and related projects

**FINAL ORDER**

On June 30, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities in Mecklenburg County, Virginia. Dominion filed its Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.* Through its Application, the Company proposes:

- (1) to convert the Company's existing Cloud 115 kilovolt ("kV") Switching Station located on six acres at the former Mecklenburg Correctional Center (960 Prison Road, Boydton, Virginia) in Mecklenburg County to a 230 kV switching station ("Cloud 230 kV Switching Station");
- (2) to convert the Company's under-construction Easters 115 kV Switching Station located between future 115 kV Line #1042 and existing 115 kV Line #137 (both lines between Ridge Road 115 kV Substation and Kerr Dam 115 kV Substation) in Mecklenburg County to a 230 kV switching station ("Easters 230 kV Switching Station"), and add one 230 kV 84 MVAR cap bank in the Easters 230 kV Switching Station for voltage support;

- (3) to cut the Clover-Farmville Line #235 at Structure #235/310 (a point starting west of the Chase City Substation), and extend (i) one 230 kV line to the Cloud 230 kV Switching Station, resulting in the 230 kV Farmville-Cloud Line #235; (ii) one 230 kV line to the Easters 230 kV Switching Station and renumber the Line #235 structures between Structure #235/310-Clover Substation, resulting in the 230 kV Clover-Easters Line #2226, and (iii) one 230 kV line between the Easters 230 kV Switching Station and the Cloud 230 kV Switching Station, resulting in the 230 kV Easters-Cloud Line #2229. Two 230 kV lines will be installed primarily along approximately 15.3 miles of existing right-of-way ("ROW") with expanded rights-of-way east of the Chase City Substation by less than 0.1 mile, at the Ridge Road Junction by 0.3 mile, and at the Boydton delivery point by 0.4 mile to accommodate the proposed area of the Projects, totaling approximately 0.7 mile of new rights-of-way. The lines will be supported by 96 double circuit two-pole galvanized steel structures, seven double circuit galvanized steel poles, and four single circuit galvanized steel H-frame structures utilizing a three-phase twin-bundled 795 ACSR type conductor with a summer transfer capability of 1225 MVA (collectively, "Line #235 Extension"); and
- (4) to relocate Line Numbers 40, 171, and 1009 in an approximate 0.55 mile section of ROW located east of the Chase City Substation to allow for the installation of the proposed 230 kV lines (collectively, "115 kV Line Relocations"). To accommodate the 115 kV Line Relocations within the existing ROW, the Company proposes to install two single circuit galvanized steel poles; five double circuit galvanized steel poles; two single circuit galvanized steel H-frames; and three triple circuit galvanized steel H-frames.<sup>1</sup>

Dominion states that the Projects are necessary to assure that Mecklenburg County Electric Cooperative ("MEC") can support the load growth in Mecklenburg County.<sup>2</sup>

The Company states that the desired in-service date for the Projects is June 1, 2024.<sup>3</sup> The Company represents that the estimated conceptual cost of the Projects (in 2021 dollars) is approximately \$101.5 million, which includes approximately \$66.2 million for transmission-related work and approximately \$35.3 million for substation-related work.<sup>4</sup>

On August 2, 2021, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, which among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled an evidentiary hearing; directed the Staff of the Commission ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter.

On September 20, 2021, Microsoft Corporation ("Microsoft") filed its Notice of Participation. On October 4, 2021, Microsoft filed the testimony of Leroy Ho. On December 6, 2021, Microsoft filed the testimony of James W. Collins, Jr., adopting the testimony of Leroy Ho.

As also discussed in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Projects by the appropriate agencies and to provide a report on the review. On October 4, 2021, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains a Summary of Recommendations regarding the Projects. According to the DEQ Report, the Company should:

- Follow DEQ recommendations including the avoidance and minimization of impacts to wetlands and streams;
- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;
- Coordinate with the Department of Conservation and Recreation ("DCR") on the development and implementation of an invasive species plan to be included as part of the maintenance practices for the ROW;
- Consider measures to minimize the fragmentation of ecological cores to preserve the natural patterns and connectivity of habitats that are key components of biodiversity;
- Coordinate with the DCR for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the project construction to avoid and minimize impacts to natural heritage resources;
- Coordinate with the Department of Wildlife Resources ("DWR") as necessary regarding the general protection of aquatic and wildlife resources;
- Coordinate with the Virginia Outdoors Foundation should the project change or if construction does not begin within 24 months of this response;

<sup>1</sup> Ex. 2 (Application) at 2-3. The proposed Cloud 230 kV Switching Station, proposed Easters 230 kV Switching Station, Line #235 Extension, and 115 kV Line Relocations are collectively referred to as the "Projects."

<sup>2</sup> *Id.* at 3.

<sup>3</sup> *Id.* at 4, 5. Dominion requests that the Commission enter a final order by July 1, 2022, for the Company to begin construction around April 1, 2023, and complete construction by June 1, 2024. *Id.* at 6.

<sup>4</sup> *Id.* at 6. The Company notes that the substation-related costs provided include the costs that Old Dominion Electric Cooperative, on behalf of MEC, intends to pay on behalf of its customer as excess facilities charges for these Projects. *Id.*

- Coordinate with the Department of Forestry ("DOF") if necessary, for advice or assistance with forest management, pre-harvest planning or mitigation practices;
- Employ best management practices and Spill Prevention and Control Countermeasures as appropriate for the protection of water supply sources;
- Follow the principles and practices of pollution prevention to the extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.<sup>5</sup>

On November 12, 2021, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated the need for the proposed Projects and that the Projects, as proposed, are necessary to continue providing reliable electric transmission service.<sup>6</sup> Staff therefore did not oppose the issuance of the certificate of public convenience and necessity ("CPCN") requested in the Company's Application.<sup>7</sup>

On November 24, 2021, the Company filed its rebuttal testimony. In its rebuttal testimony, Dominion requested that the Commission reject certain recommendations in the DEQ Report.<sup>8</sup> Specifically, Dominion requested that the Commission reject: (i) DCR's recommendation for the Company to develop and implement an invasive species management plan; (ii) DCR's recommendation for the Company to minimize fragmentation of Ecological Cores C2-C5; (iii) DWR's recommendation for the Company to adhere to time of year restrictions while performing instream work from March 15 through June 30 for any year; (iv) DOF's recommendation for the Company to mitigate impacts to trees or forest vegetation in the area of the Projects that need to be removed, converted, or will be otherwise impacted by activities associated with the Projects by establishing new trees, forests, or forest vegetation on site in the vicinity of the Projects; and (v) DEQ's recommendation for the Company to consider the development of an effective environmental management system ("EMS").<sup>9</sup> Further, in addressing Microsoft's request for an accelerated in-service date for the Projects, Dominion testified that, because of potential issues relative to PJM transmission line outages, supply chain matters, permitting, property owner opposition, and weather, Dominion is unable to commit to Microsoft's accelerated in-service date.<sup>10</sup>

Due to the ongoing public health issues related to the spread of COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on December 15, 2021.<sup>11</sup> The Company, Microsoft, and Staff participated at the hearing.

On December 20, 2021, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") was issued. In the Report, the Senior Hearing Examiner found:

- The Company demonstrated the need for its proposed Projects and demonstrated that its selected route and predominant use of existing ROW will avoid or reasonably minimize the impact on existing residences, scenic assets, historic resources and the environment;
- The Company's Application does not adversely impact any goal established by the Virginia Environmental Justice Act ("VEJA");
- The uncontested recommendations in the DEQ Report should be adopted by the Commission as conditions of approval;
- The Company should be directed to continue to work with the Department of Historic Resource ("DHR") to identify historic properties that may be impacted by the Projects; to endeavor to minimize such impacts, where feasible, through engineering, vegetation management, or other measures; and when minimization of impacts is not feasible, to work with DHR and stakeholders to develop an appropriate mitigation plan; and
- The Commission should approve the Company's proposed in-service date deadline of June 1, 2024, with the understanding that Dominion will attempt to complete the Projects, and put them into service, before June 1, 2024, if possible.<sup>12</sup>

The Senior Hearing Examiner recommended that the Commission enter an order that adopts the findings and recommendations in the Report, grants the Company's Application to construct the proposed facilities as specified in the Report, approves the Company's request for a CPCN to authorize construction of the proposed facilities as specified, and dismisses this case from the Commission's docket of active cases.<sup>13</sup>

<sup>5</sup> Ex. 11 (DEQ Report) at 5-6.

<sup>6</sup> Ex. 10 (Staff Report) at 27.

<sup>7</sup> *Id.*

<sup>8</sup> Ex. 15 (Stuebaker Rebuttal) at 2.

<sup>9</sup> *Id.* at 3.

<sup>10</sup> Ex. 12 (Jonas Rebuttal) at 2.

<sup>11</sup> A public witness hearing was scheduled to be held telephonically on December 14, 2021, but was canceled after no public witnesses signed up to testify. Tr. 5. No written comments were filed relative to the Application.

<sup>12</sup> Report at 15-16.

<sup>13</sup> *Id.* at 16. No participant filed comments opposing the findings and recommendations set forth in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Projects. The Commission finds that a CPCN authorizing the Projects should be issued subject to certain findings and conditions contained herein.

#### Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 67-101.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

Dominion represents that the Projects are necessary in order to provide service to two delivery points requested by Old Dominion Electric Cooperative, on behalf of MEC, for MEC to provide service to one of its customers in Mecklenburg County, Virginia; to maintain reliable service for the overall growth in the area; and to comply with mandatory North American Electric Reliability Corporation ("NERC") Reliability Standards.<sup>14</sup> Based on information provided by the Company, Staff agreed with Dominion that the Projects are needed to resolve potential reliability criteria violations identified by the Company and PJM Interconnection, L.L.C.<sup>15</sup> The Commission finds that the Company's proposed Projects are needed to maintain reliable service for the overall growth in Mecklenburg County, Virginia, and to comply with NERC standards.

#### Economic Development

The Commission has considered the effect of the Projects on economic development in the Commonwealth and finds that the Projects will ensure the Company's continued bulk electric power delivery, thereby supporting economic growth in the Commonwealth, including Mecklenburg County, Virginia.<sup>16</sup>

#### Rights-of-Way and Routing

Dominion has adequately considered usage of existing ROW. The Projects, as proposed, would be constructed predominantly on existing ROW, with approximately 0.7 mile of expanded ROW required.<sup>17</sup>

#### Impact on Scenic Assets and Historic Districts

As noted above, the Projects would be constructed predominantly on existing ROW already owned and maintained by Dominion. The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with DHR, and environment of the area concerned, as required by § 56-46.1 B of the Code, subject to the recommendations provided in the following section.

<sup>14</sup> See Ex. 2 (Application) at 2.

<sup>15</sup> Ex. 10 (Staff Report) at 9-10.

<sup>16</sup> See Report at 15.

<sup>17</sup> Ex. 2 (Application) at 3, 5-6.

### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Projects' impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Projects by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Projects. This finding is supported by the DEQ Report, as nothing therein suggests that the Projects should not be constructed.

There are, however, recommendations in the DEQ Report for the Commission's consideration. The Company filed a response opposing five of these recommendations.

First, Dominion requests that the Commission reject the recommendation by DCR related to the development and implementation of an invasive species management plan.<sup>18</sup> The Company asserts that it "already has a robust Integrated Vegetation Management Plan . . . in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species."<sup>19</sup> It therefore states that the development and implementation of a separate invasive species plan is unnecessary.<sup>20</sup> The Commission agrees with the Senior Hearing Examiner that the invasive species plan recommended by DCR is duplicative of the Company's Integrated Vegetation Management Plan and therefore is unnecessary.<sup>21</sup>

Second, Dominion requests that the Commission reject the recommendation by DCR for the Company to minimize fragmentation of Ecological Cores C2-C5.<sup>22</sup> The Company asserts that this recommendation is unnecessary given the reasonable efforts already undertaken by the Company to minimize fragmentation in designing and routing the Projects.<sup>23</sup> The Company also notes that present and future construction in Projects area will further impact the Ecological Cores.<sup>24</sup> The Commission agrees with the Senior Hearing Examiner that DCR's fragmentation minimization recommendation should be rejected as unnecessary given the ongoing development of data centers in the impacted area, and the efforts Dominion has already undertaken to minimize fragmentation.

Third, Dominion requests that the Commission reject DWR's recommendation for the Company to adhere to time of year restrictions while performing instream work from March 15 through June 30 for any year.<sup>25</sup> The Company asserts that since no structures are located in streams or waterways, no instream work is anticipated.<sup>26</sup> It therefore states that the recommendation to adhere to time of year restrictions for instream work is unnecessary.<sup>27</sup> The Commission agrees with the Senior Hearing Examiner that the DWR's recommendation regarding instream work is unnecessary as no Project structures are proposed to be located in streams or waterways.

Fourth, Dominion requests that the Commission reject DOF's recommendation for the Company to mitigate impacts to trees or forest vegetation in the area of the Projects that need to be removed, converted, or will be otherwise impacted by activities associated with the Projects by establishing new trees, forests, or forest vegetation on site in the vicinity of the Projects.<sup>28</sup> The Company asserts that it is not aware of any legal requirement to complete one-for-one mitigation and asserts that therefore this recommendation is unnecessary.<sup>29</sup> The Commission agrees with the Senior Hearing Examiner that the DOF's tree and forest mitigation recommendation is unwarranted given the lack of a legal requirement for one-for-one mitigation.

Fifth, Dominion requests that the Commission reject the DEQ's recommendation for the Company to consider the development of an effective EMS.<sup>30</sup> The Company asserts that it "already has a comprehensive EMS Manual in place that ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in

<sup>18</sup> Ex. 15 (Studebaker Rebuttal) at 3.

<sup>19</sup> *Id.* at 4.

<sup>20</sup> *Id.* at 5.

<sup>21</sup> The Company has requested, and the Commission has approved, rejection of a comparable DEQ recommendation in similar circumstances in several prior proceedings. See, e.g., *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Loudoun-Ox 230 kV Transmission Line Partial Rebuild Projects*, Case No. PUR-2019-00128, 2020 S.C.C. Ann. Rept. 306, 309, Final Order (June 2, 2020); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Lockridge 230 kV Line Loop and Lockridge Substation*, Case No. PUR-2019-00215, 2020 S.C.C. Ann. Rept. 391, Final Order (Oct. 1, 2020).

<sup>22</sup> Ex. 15 (Studebaker Rebuttal) at 3.

<sup>23</sup> *Id.* at 6.

<sup>24</sup> *Id.*

<sup>25</sup> *Id.* at 3.

<sup>26</sup> *Id.* at 7.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 3.

<sup>29</sup> *Id.* at 8.

<sup>30</sup> *Id.* at 8.

its environmental performance . . . ."<sup>31</sup> The Company finds the DEQ recommendation to develop an effective EMS to therefore be unnecessary and duplicative.<sup>32</sup> We find that Dominion's existing EMS achieves the purpose of this recommendation.<sup>33</sup> The Commission agrees with the Senior Hearing Examiner that the DEQ's recommendation for the Company to develop an EMS should be rejected as duplicative.

Regarding the DHR's mitigation recommendation associated with impacts to the historic Farmers Food site, the Commission finds that Dominion shall continue to work with DHR to identify historic properties that may be impacted by the Projects and endeavor to minimize such impacts. We further find that where minimization of impacts is not feasible, the Company shall work with DHR and stakeholders to develop an appropriate mitigation plan.

Dominion also offered clarifications to certain DEQ recommendations. In response to the recommendation that the Company further evaluate the potential impacts of identified petroleum release sites in close proximity to the Projects, Dominion states that the pollution complaint ("PC") number of concern was only open for a short duration, and it is reasonable to assume that the release was limited to only soil.<sup>34</sup> The Company asserts that exposure to any potentially contaminated soil will be minimal to none.<sup>35</sup> Dominion therefore does not expect the PC will have a negative impact on the Projects.<sup>36</sup> We direct the Company to coordinate with DEQ to avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable if contaminated soil associated with the petroleum release highlighted in the DEQ Report is identified.<sup>37</sup>

#### Environmental Justice

The VEJA sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>38</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>39</sup>

We agree with the Senior Hearing Examiner that the Company reasonably considered the requirements of the VEJA.<sup>40</sup>

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Projects as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Projects is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-MEC-2022-A which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Mecklenburg County, all as shown on the detailed map attached to the Certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00137; Certificate No. ET-DEV-MEC-2022-A cancels Certificate No. ET-93k issued to Virginia Electric and Power Company on June 16, 1994, in Case No. PUE-1992-00058.

<sup>31</sup> *Id.* at 8-9.

<sup>32</sup> *Id.* at 8.

<sup>33</sup> The Commission has previously made a similar finding in prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

<sup>34</sup> Ex. 15 (Studebaker Rebuttal) at 9.

<sup>35</sup> *Id.* at 10.

<sup>36</sup> *Id.*

<sup>37</sup> The Commission has previously made a similar finding in prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: 230 kV Lines #2113 and #2154 Transmission Line Rebuilds and Related Projects*, Case No. PUR-2021-00010, Doc. Con. Cen. No. 210930053, Final Order at 10-11 (Sept. 15, 2021).

<sup>38</sup> Code § 2.2-235.

<sup>39</sup> Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021 00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, Doc. Con. Cen. No. 210210007, Final Order at 14-15 (Feb. 1, 2021).

<sup>40</sup> Report at 14-15.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Projects approved herein must be constructed and in service by June 1, 2024. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

**CASE NO. PUR-2021-00142  
AUGUST 5, 2022**

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 *et seq.*, and § 56-585.1 A 6 of the Code of Virginia

**FINAL ORDER**

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA"), became effective on July 1, 2020. The VCEA, *inter alia*, declares "[i]n order to meet the Commonwealth's clean energy goals, prior to December 31, 2034, the construction or purchase by a public utility of one or more offshore wind generation facilities located off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth, with an aggregate capacity of up to 5,200 megawatts, is in the public interest . . . ." in new Code § 56-585.1:11.

On July 26, 2021, subsequent to the announcement by Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") that it intended to file an application with the State Corporation Commission ("Commission") regarding an offshore wind generation project, the Commission issued an Order ("Docketing Order") wherein it established this docket to receive such filing and further directed that, in addition to conforming in all respects to the requirements of applicable law and regulations, the filing shall address certain questions and issues set forth in the Docketing Order.

On November 5, 2021, Dominion filed an application for approval and certification of the Coastal Virginia Offshore Wind Commercial Project ("CVOW Project," "CVOW," or "Project") and for approval of a rate adjustment clause, designated Rider Offshore Wind ("Rider OSW"), pursuant to Code §§ 56-585.1:11; 56-46.1, 56-265.1 *et seq.*, and 56-585.1 A 6 ("Application"). The Application requests the Commission grant:

- (i) Approval, as required, of the CVOW Project, to be located in a federal lease area beginning approximately 27 statute miles (approximately 24 nautical miles) off the coast of Virginia Beach, Virginia ("Lease Area") and related power export facilities;<sup>1</sup>
- (ii) Approval and certification of electric interconnection and transmission facilities, comprising transmission facilities required to interconnect CVOW reliably with the existing transmission system ("Virginia Facilities");<sup>2</sup>
- (iii) Approval of a rate adjustment clause, Rider OSW, for the recovery of costs incurred to construct, own, and operate the offshore wind generation facilities and related interconnection and transmission facilities that compose the CVOW Project; and
- (iv) Approval of a Foreign Currency Risk Mitigation Plan ("Currency Plan").<sup>3</sup>

On December 9, 2021, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; established public witness and evidentiary hearings to receive testimony and evidence on the Application; ordered Dominion to provide notice of its Application; provided interested persons an opportunity to file written comments on the Application or participate in the proceeding as a respondent; directed the Commission's Staff ("Staff") to investigate the Application and file testimony describing the results of that investigation; and provided Dominion an opportunity to file rebuttal testimony.

Notices of participation were filed by the Virginia Committee for Fair Utility Rates ("Committee"); the Nansemond Indian Nation; Walmart Inc. ("Walmart"); Appalachian Voices; Clean Virginia; the Sierra Club; and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Dominion, Clean Virginia, the Sierra Club, the Nansemond Indian Nation, Consumer Counsel, and Staff prefiled testimony in this matter. The Commission also received written public comments in this docket.

<sup>1</sup> Ex. 2 (Application) at 1.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at 1-2.

In the Order for Notice and Hearing, the Commission noted that Staff had requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Virginia Facilities. The DEQ filed a report ("DEQ Report") on January 24, 2022.<sup>4</sup> The DEQ Report summarizes the Virginia Facilities' potential impacts, makes recommendations for minimizing those impacts, and outlines the Company's responsibilities for compliance with certain legal requirements governing environmental protection.

On May 11, 2022, Dominion, Staff, the Nansemond Indian Nation, and the Sierra Club filed a Proposed Stipulation and Recommendation ("Stipulation") that resolves all outstanding issues as among those parties.<sup>5</sup>

On May 16, 2022, a hearing for the receipt of testimony from public witnesses on the Application was convened telephonically. Eight public witnesses provided testimony on the Application that day.<sup>6</sup> The Commission also received the testimony of two additional public witnesses on May 17, 2022.<sup>7</sup> Beginning on May 17, 2022, and concluding on May 19, 2022, the Commission convened an evidentiary hearing in its second-floor courtroom. Counsel for Dominion, Walmart, Appalachian Voices, Clean Virginia, Sierra Club, Consumer Counsel and Staff appeared at the hearing.<sup>8</sup> As directed at the close of the hearing, hearing participants submitted post-hearing filings for the Commission's consideration.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.<sup>9</sup> The discussion below sets forth detailed analyses and findings on the contested issues raised in this proceeding. As always, the Commission is guided by the applicable statutes and the record.

### I. CVOW Offshore Wind Generation Facilities

#### A. Overview and Risks

Through this proceeding, Dominion seeks approval of a rate adjustment clause, designated Rider OSW, that will be used to recover from customers costs to construct, own, and operate the offshore wind generation facilities and related interconnection and transmission facilities that compose the CVOW Project.<sup>10</sup> The CVOW Project encompasses offshore wind generation facilities consisting of 176 wind turbine generators that are each 14.7 megawatts ("MW"), to be located 24 nautical miles off the Commonwealth's eastern shore in the Lease Area.<sup>11</sup> With a combined nominal capacity of 2,587 MW (alternating current), the CVOW Project is a first of its kind project in North America.<sup>12</sup> The Company's current schedule contemplates the Project being fully in service by the end of 2026.<sup>13</sup>

<sup>4</sup> Ex. 39 (DEQ Report). In addition, on May 16, 2022, Jason Bulluck, Director, Natural Heritage Division of the Virginia Department of Conservation and Recreation ("DCR-DNH"), filed comments in response to Dominion's rebuttal testimony concerning certain recommendations in the DEQ Report.

<sup>5</sup> Ex. 3 (Stipulation).

<sup>6</sup> See May 16, 2022 ("May 16") Transcript ("Tr.") 17-60.

<sup>7</sup> See May 17, 2022 ("May 17") Tr. 20-23, 51-57.

<sup>8</sup> The Committee and the Nansemond Indian Nation were excused from the hearing. The Commission took several objections under advisement during the evidentiary hearing. See, e.g., May 18, 2022 ("May 18") Tr. 49-50; May 19, 2022 ("May 19") Tr. 18-20, 126-127. After further consideration, the objections are overruled and all testimony and exhibits will be included as part of the record, to which the Commission will give the weight it finds appropriate. The Commission will also maintain the extraordinarily sensitive designation for the contents of the *Charybdis* charter agreement, and related testimony, based on its competitively sensitive nature. May 18 Tr. 309.

<sup>9</sup> The Commission has fully considered the evidence and arguments in the record. See also *Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

<sup>10</sup> Ex. 2 (Application) at 1-2.

<sup>11</sup> *Id.* at 1, 7.

<sup>12</sup> *Id.* at 7; May 17 Tr. 48. There are currently seven turbines offshore totaling 42 MW operating in the U.S. Ex. 4 (Mitchell Direct) at 14; May 18 Tr. 289-290.

<sup>13</sup> Ex. 2 (Application) at Generation Appendix, p. i.



In its Application, Dominion estimates the total capital cost of the CVOW Project to be approximately \$9.8 billion, including approximately \$1.15 billion for the onshore Virginia Facilities.<sup>14</sup> Total Project costs, including financing costs, less investment tax credits, are estimated to be approximately \$21.5 billion.<sup>15</sup> Over its projected 35-year lifetime (including the time of the Project's construction and its 30-year projected useful life), for a residential customer using 1,000 kilowatt-hours ("kWh") of electricity per month, Rider OSW is projected to result in an average monthly bill increase of \$4.72 and a peak monthly bill increase of \$14.22 in 2027.<sup>16</sup> As further discussed below, Dominion currently seeks recovery from customers, in Rider OSW, of \$78.702 million of costs associated with the Project.<sup>17</sup>

While neither Staff nor any respondent opposed approval of CVOW, significant concerns were raised throughout this proceeding regarding affordability and the financial risk to ratepayers. The Project is truly distinctive in numerous respects, encompassing cost, size, technology, complexity, ownership, and risk. For example:

- The Project will likely be the largest capital investment, and single largest project, in the history of the Company.<sup>18</sup>
- The Project will also likely be the costliest project being undertaken by any regulated utility in the United States, with the exception of Southern Company's ongoing Vogtle nuclear project<sup>19</sup> and will likely be the most expensive on a dollars per kilowatt of firm capacity basis.<sup>20</sup>
- No other utility or independent developer has attempted to construct and operate an offshore wind project of this size in the United States.<sup>21</sup>
- The Project requires 176 wind turbine generators, which are over twice the size (14.7 MW) as those in the current pilot project (6 MW), and which require construction and maintenance of three offshore substations for their operation.<sup>22</sup>
- The designs for various components of these turbines, including the monopile and transition structures, have yet to be finalized.<sup>23</sup>
- The Company has contracted to charter the *Charybdis*, a U.S. Jones Act-compliant vessel designed to carry the major wind turbine generator components.<sup>24</sup> The *Charybdis* is the only Jones Act vessel available in the U.S.,<sup>25</sup> and the record reflects that the *Charybdis* is scheduled to be used in two other projects prior to being available for CVOW.<sup>26</sup>

The record identifies additional considerations that could also lead to cost increases, and to potential delays, including:

- As a first-mover project, there is no developed supply chain, including equipment suppliers, specialized installation vessels, and infrastructure to handle the transportation and installation of the equipment, which could lead to construction delays and cost overruns.<sup>27</sup>
- Siemens Gamesa, the turbine supplier for the Project, has been "hit hard" by supply chain disruptions; this is further compounded by the fact that there are two installations ahead of the Project that will be receiving the same turbine designed by Siemens Gamesa.<sup>28</sup>

<sup>14</sup> *Id.* at 18. The Company seeks approval of the Virginia Facilities to interconnect CVOW with Dominion's transmission system, which will be discussed separately in further detail below.

<sup>15</sup> Ex. 41 (Welsh) at 4, 6. Of this amount, \$7.22 billion represents the Company's equity return on its investment in the Project based on its current approved 9.35% return on equity. *Id.* at 7; May 18 Tr. 207-208. See also *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUR-2021-00058, 2021 S.C.C. Ann. Rept. 444, Final Order (Nov. 18, 2021).

<sup>16</sup> Ex. 41 (Welsh) at 2, 9, Statement VII.

<sup>17</sup> See, e.g., Ex. 2 (Application) at 21; Ex. 41 (Welsh) at 1-2.

<sup>18</sup> See, e.g., May 17 Tr. 78, 144-145; May 18 Tr. 268; Clean Virginia's Post-Hearing Brief at 3; Walmart's Post-Hearing Brief at 11.

<sup>19</sup> See, e.g., May 17 Tr. 78; Clean Virginia's Post-Hearing Brief at 3.

<sup>20</sup> May 17 Tr. 78.

<sup>21</sup> See, e.g., Ex. 36 (Chang) at 6-9.

<sup>22</sup> Ex. 2 (Application) at Generation Appendix, p. i; May 17 Tr. 153.

<sup>23</sup> See, e.g., May 17 Tr. 246-248; Walmart's Post-Hearing Brief at 12.

<sup>24</sup> Ex. 9 (Bennett Direct) at 27.

<sup>25</sup> *Id.*

<sup>26</sup> See, e.g., May 18 Tr. 116-118; Walmart's Post-Hearing Brief at 12. The record also reflects that piling installations for the Project can only be done six months out of the year. May 18 Tr. 252.

<sup>27</sup> Ex. 40 (Kuleshova) at 62.

<sup>28</sup> See, e.g., May 17 Tr. 212-215, 247-248; Ex. 8; Clean Virginia's Post-Hearing Brief at 4.

- This type of project is not immune from general construction delays; *e.g.*, Ørsted A/S, the largest wind developer in the world, has experienced recent delays on projects in both Europe and the United States.<sup>29</sup>
- The "fixed price" contracts for the Project provide for change orders, which can increase costs from those specified in the contracts.<sup>30</sup>
- Higher than expected commodity prices, to the extent those prices have not been locked in, may lead to cost overruns.<sup>31</sup>
- The final costs of necessary PJM Interconnection, L.L.C. ("PJM") network upgrades are unknown because ongoing study work in the PJM generation queue was placed on hold to resolve the current backlog associated with issuing Facility Study Reports and Interconnection Service Agreements.<sup>32</sup>
- The transmission interconnection facilities (*i.e.*, Virginia Facilities) are a significant component of this Project and the Company has experienced delays and cost overruns on recent transmission projects.<sup>33</sup>
- Dominion's cost projections do not specifically identify any costs it may seek to recover under Code § 56-585.1 A 5 e, which allows the Company to recover costs "necessary to mitigate impacts to marine life caused by construction of offshore wind generating facilities."<sup>34</sup>
- The Company's rate of return on equity for the Project is not fixed and could increase in future years.<sup>35</sup>
- For a project of this size and risk, the Company has only included a contingency estimate of approximately 3%, or \$300 million.<sup>36</sup>
- There is inherent risk associated with weather being more severe than expected during the construction and operational phase of the Project which may lead to construction delays and cost overruns.<sup>37</sup>
- There is substantial evidence in the record addressing the significant operational risks attendant to this Project.<sup>38</sup> The lifetime revenue requirement and levelized cost of energy estimates presented by the Company are based on a projection that CVOW, once in operation, will achieve a net 42% capacity factor.<sup>39</sup> The lifetime revenue requirement for Rider OSW and the levelized cost of energy ("LCOE") will increase if the actual achieved capacity factor is lower than projected.<sup>40</sup>

<sup>29</sup> See, *e.g.*, May 18 Tr. 119-121; Walmart's Post-Hearing Brief at 11.

<sup>30</sup> See, *e.g.*, May 17 Tr. 137-139; Walmart's Post-Hearing Brief at 12.

<sup>31</sup> See, *e.g.*, May 17 Tr. 217-221; May 18 Tr. 114.

<sup>32</sup> See, *e.g.*, Ex. 45 (Joshapura) at 3-8; May 18 Tr. 240-242. According to Staff witness Joshapura, the current estimated cost allocation to the CVOW Project for PJM identified upgrades is approximately \$215 million. Ex. 45 (Joshapura) at 6.

<sup>33</sup> May 17 Tr. 203-208; Walmart's Post-Hearing Brief at 12; Ex. 6; Ex. 7.

<sup>34</sup> See also Ex. 2 (Application) at Generation Appendix p. 86-119; Dominion's Post-Hearing Brief at 59.

<sup>35</sup> See, *e.g.*, May 18 Tr. 208-209.

<sup>36</sup> See, *e.g.*, Walmart's Post-Hearing Brief at 13-15.

<sup>37</sup> May 17 Tr. 196; May 18 Tr. 252, 282-284.

<sup>38</sup> See, *e.g.*, Consumer Counsel's Post-Hearing Brief at 3; Ex. 40 (Kuleshova) at 62-76.

<sup>39</sup> Ex. 41 (Welsh) at 10; Ex. 40 (Kuleshova) at 34.

<sup>40</sup> Ex. 40 (Kuleshova) at 79.

In addition, Code § 56-585.1:11 applies to "the construction or purchase by a public utility" of a wind generation facility. The Company has chosen to construct, own and operate the Project. This ownership structure, under these circumstances, is unique to Virginia. Every other state that is pursuing large-scale offshore wind is utilizing power purchase ("PPAs") agreements or offshore renewable energy certificate contracts, which limits the risks to customers by shifting construction, operational, and market risks from customers to the project's owner.<sup>41</sup> As previously explained by the Commission, "[o]ther utilities involved in offshore wind have done so through a [PPA] model, which generally places all or some of the risk on the developer," but under a utility self-build model "customers bear almost all of the risks [including] the risk of potential cost overruns."<sup>42</sup> Dominion has also opted not to use an engineering, procurement, and construction ("EPC") contractor on the Project, which the record shows is a departure from how it has managed construction of prior generation facilities.<sup>43</sup> In prior cases, the use of an EPC contractor enabled the Company to shift materials, labor, and schedule risk away from the Company and its customers, as well as risk of construction delays and cost overruns.<sup>44</sup> In this case, however, Dominion is instead managing the project in-house using multiple interrelated contractors.<sup>45</sup>

#### B. Construction of the Project

Code § 56-585.1:11 B directs as follows (emphasis added):

In order to meet the Commonwealth's clean energy goals, prior to December 31, 2034, the construction or purchase by a public utility of one or more offshore wind generation facilities located off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth, with an aggregate capacity of up to 5,200 megawatts, is in the public interest *and the Commission shall so find*, provided that no customers of the utility shall be responsible for costs of any such facility in a proportion greater than the utility's share of the facility.<sup>46</sup>

Having concluded (based on the instant record) that the Project falls within the above provision, the Commission so finds – as directed by the General Assembly – that construction of the Project is in the public interest. No party to this case contested this result.

In addition, the Commission notes that since the effective date of the VCEA, the Commission has approved Dominion's requests for approval of 1,355 MW of new solar facilities (Company-owned and PPA) and 103 MW of new energy storage capacity under the VCEA.<sup>47</sup> The total projected cost of the Company-build projects is approximately \$1.6 billion, not including financing costs.<sup>48</sup>

#### C. Request for Cost Recovery Associated with the Project

Code § 56-585.1:11 C 1 directs as follows regarding cost recovery (emphases added):

In acting upon *any request for cost recovery* by a Phase II Utility *for costs associated with such a facility, the Commission shall determine the reasonableness and prudence of any such costs, provided that such costs shall be presumed to be reasonably and prudently incurred if the Commission determines that* (i) the utility has complied with the competitive solicitation and procurement requirements pursuant to subsection E; (ii) the project's projected total levelized cost of energy, including any tax credit, on a cost per megawatt hour basis, inclusive of the costs of transmission and distribution facilities associated with the facility's interconnection, does not exceed 1.4 times the comparable cost, on an unweighted average basis, of a conventional simple cycle combustion turbine generating facility as estimated by the U.S. Energy Information Administration in its Annual Energy Outlook 2019; and (iii) the utility has commenced construction of such facilities for U.S. income taxation purposes prior to January 1, 2024, or has a plan for such facility or facilities to be in service prior to January 1, 2028. *The Commission shall disallow costs, or any portion thereof, only if they are otherwise unreasonably and imprudently incurred.*

<sup>41</sup> See, e.g., Ex. 36 (Chang) at 8-9; Ex. 40 (Kuleshova) at 78; Clean Virginia's Post-Hearing Brief at 5; Consumer Counsel's Post-Hearing Brief at 3-4.

<sup>42</sup> *Petition of Virginia Electric and Power Company, For a prudency determination with respect to the Coastal Virginia Offshore Wind Project pursuant to Virginia Code § 56-585.1:4 F*, Case No. PUR-2018-00121, S.C.C. Ann. Rept. 491, 493, Final Order at 8-9 (Nov. 2, 2018).

<sup>43</sup> See, e.g., May 17 Tr. 157-159.

<sup>44</sup> See, e.g., May 17 Tr. 195-196; Clean Virginia's Post-Hearing Brief at 5-6.

<sup>45</sup> See, e.g., May 17 Tr. 193.

<sup>46</sup> The Code contains additional similar public interest declarations regarding offshore wind facilities. See, e.g., Code §§ 56-585.1:11 C and 56-585.1 A 6.

<sup>47</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, 2021 S.C.C. Ann. Rept. 242, 243, Final Order (Apr. 30, 2021) ("2020 RPS Final Order") (approving 498 MW of new solar facilities); *Petition of Virginia Electric and Power Company, For approval of the RPS Development Plan, approval and certification of the proposed CE-2 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, revision of rate adjustment clause, designated Rider CE, under § 56-585.1 A 6 of the Code of Virginia, and a prudency determination to enter into power purchase agreements pursuant to § 56-585.1:4 of the Code of Virginia*, Case No. PUR-2021-00146, Doc. Con. Cen. No. 220320113; Final Order at 6 (Mar. 15, 2022) ("2021 RPS Final Order") (approving 857 MW of new solar generation capacity and 103 MW of energy storage capacity).

<sup>48</sup> See, e.g., 2020 RPS Final Order at 250; 2021 RPS Final Order at 23.

In the instant proceeding, Dominion requests – under Code § 56-585.1 A 6 – a rate year recovery from customers of \$78.702 million of costs associated with the Project.<sup>49</sup> This revenue requirement will recover financing costs on \$661.7 million in capital expenditures during the rate year as well as allowance for funds used during construction accrued on Dominion's books.<sup>50</sup> Having concluded (based on the instant record) that the above requirements in (i), (ii), and (iii) have been met,<sup>51</sup> the Commission approves a revenue requirement for Rider OSW of \$78.702 million for the rate year of September 1, 2022, to August 31, 2023.<sup>52</sup> No party to this case contested this finding or the approval herein of costs associated with the Project. In addition, the Company is herein directed to file annual Rider OSW update proceedings on or before November 1 of each year.<sup>53</sup>

In so finding that these costs must be recovered from customers, the Commission is also keenly aware of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. This is a prescriptive statute, and we have applied it based on the record in this case.

Additionally, in approving this revenue requirement, the Commission finds it reasonable for purposes of this proceeding to approve the jurisdictional and class cost allocation methodology proposed by the Company.<sup>54</sup> If the Commission adopts a cost allocation methodology in Case No. PUR-2021-00156 that differs from what is approved herein, the allocation methodology approved in Case No. PUR-2021-00156 will be applied to Rider OSW in future proceedings.<sup>55</sup>

#### D. Future Requests for Cost Recovery Associated with the Project

In the instant proceeding, the Commission has determined that the specific costs currently sought to be included in Rider OSW (and, thus, recovered from customers under Code § 56-585.1 A 6) is presumed reasonable and prudent under Code § 56-585.1:11 C 1 (quoted above) based on the currently estimated total costs of the Project. In this manner, the statute does not direct the Commission to approve the Project or its costs as a unified whole but, rather, Code § 56-585.1:11 C 1 directs that in "any request for cost recovery ... for costs associated with such a facility, the Commission shall determine the reasonableness and prudence of any such costs...." As a result, every time Dominion requests additional costs to be included in Rider OSW (for recovery from customers under Code § 56-585.1 A 6), the statute mandates that the Commission determine the reasonableness and prudence of such costs.

The Commission must necessarily make such determinations based on the record of each proceeding in which the Company makes a request for cost recovery for costs associated with the Project. In this regard, it should be axiomatic that the Commission does not predetermine how it will rule on unknown records to be developed in future proceedings; thus, the Commission cannot herein prejudice what may, or may not, satisfy the statute in future cases. Similarly, within the ambit of that same axiom, is the prospect that the Commission, in subsequent proceedings under Code § 56-585.1 A 6, may make findings on records that do not necessarily mirror the instant proceeding.

<sup>49</sup> See, e.g., Dominion's Post-Hearing Brief at 41. Code § 56-585.1 A 6 provides in part that "a utility may at any time, after the expiration or termination of capped rates, petition the Commission for approval of a rate adjustment clause for recovery on a timely and current basis from customers of the costs of ... (ii) one or more other generation facilities...."

<sup>50</sup> Ex. 29 (Lee Direct) at 3-5, Schedule 1; Ex. 41 (Welsh) at Statements I-V.

<sup>51</sup> See, e.g., Ex. 2 (Application) at Generation Appendix p. ii, 45-46, 48-51, 83; Ex. 9 (Bennett Direct) at 5-6, 19-21; Ex. 40 (Kuleshova) at 17-50; Ex. 33 (Norwood) at 9-10; Ex. 50 (Kelly Rebuttal) at 2-11.

<sup>52</sup> In reaching this determination, the Commission has given due consideration to (a) the Commonwealth's renewable portfolio standards and carbon reduction requirements, (b) the promotion of new renewable generation resources, and (c) the economic development benefits of the project for the Commonwealth, including capital investments and job creation. See Code § 56-585.1:11 C 1.

<sup>53</sup> The Company's Application also sought a finding from the Commission that the Company's Foreign Currency Risk Mitigation Plan is reasonable and prudent and stated that the Company would execute the Currency Plan, subject to the Commission finding it reasonable and prudent, and would await such determination prior to executing the Currency Plan. Ex. 2 (Application) at 19. At the hearing on this matter, the Company advised the Commission that it had executed the Currency Plan. May 17 Tr. 128-129. Accordingly, the Commission finds nothing further to be done at this time with respect to the Currency Plan.

<sup>54</sup> See, e.g., Ex. 30 (Gaskill Direct) at 2-7; Ex. 44 (Gravelly) at 3-7; Ex. 46 (Mitchell Rebuttal) at 14. We further find that Dominion should address, in its next Rider OSW filing, the Comments filed by the Old Dominion Electric Cooperative on May 6, 2022, regarding the classification of certain overhead lines as transmission assets after energization and Dominion's associated proposed cost recovery therewith.

<sup>55</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing a proceeding concerning the allocation of RPS-related costs and the determination of certain proxy values for Virginia Electric and Power Company*, Case No. PUR-2021-00156, Doc. Con. Cen. No. 220110155, Order for Notice and Hearing (Jan. 10, 2022).

### E. Consumer Protections

Consumer Counsel, the Virginia Department of Energy, Walmart, Clean Virginia, and Appalachian Voices request the Commission to adopt certain consumer protections for this Project. The parties requesting these protections assert that the Commission possesses the statutory authority to require such.<sup>56</sup> Dominion, in turn, argues that the Commission's authority has been limited in this regard.<sup>57</sup> In actuality, the plain language of the statute simply does not speak directly to this legal question. Absent a specific directive from the General Assembly limiting the Commission's authority to require reasonable consumer protections within the confines of the statutory structure for a Project of this magnitude, and based on the record herein (including the overview and risks discussed above), the Commission orders the consumer protections directed below.<sup>58</sup>

#### *Cost Increases, Schedule Delays, and Other Updates*

The Company shall file a notice with the Commission within thirty (30) calendar days if it determines that the total project costs are expected to exceed the current estimate, or if the final turbine installation for the Project is expected to be delayed beyond February 4, 2027.

In addition, each annual Rider OSW update application filed by the Company prior to the Project's commercial operations date shall include: (1) any material changes to the Project (consistent with the format approved in Case No. PUE-2007-00066);<sup>59</sup> (2) the most recent bi-annual update as ordered in Case No. PUR-2021-00292;<sup>60</sup> (3) an updated LCOE calculation with the most current assumptions, including the Company's LCOE model in executable Microsoft Excel format with formulae intact; and (4) a written explanation as to the reason for any cost overruns above the most recent estimate provided by the Company, and the reasonableness and prudence of the additional costs.<sup>61</sup> The Company shall also file an update to such report six months after the filing of each annual Rider OSW update application.

#### *Performance Standard*

In choosing to construct the Project and seek recovery of the costs requested herein, the Company based its cost-benefit analysis and LCOE proposal on an average net capacity factor of 42%, and Dominion continued to affirm its high level of confidence in relying upon a 42% capacity factor to undertake this Project.<sup>62</sup> In short, net capacity factor reflects the Project's actual generation over a given period compared to the maximum amount it could have generated over that period.<sup>63</sup>

Based on the record herein, the Commission orders the required performance standard as recommended by Consumer Counsel witness Norwood,<sup>64</sup> and as also urged by Walmart, Clean Virginia, the Virginia Department of Energy, and Appalachian Voices.<sup>65</sup> Specifically, beginning with commercial operation and extending for the life of the Project, customers shall be held harmless for any shortfall in energy production below an annual net capacity factor of 42%, as measured on a three-year rolling average.<sup>66</sup>

<sup>56</sup> See, e.g., Consumer Counsel's Post-Hearing Brief at 1-2; Walmart's Post-Hearing Brief at 3-7; Clean Virginia's Post-Hearing Brief at 13-20; Appalachian Voices' Post-Hearing Brief at 6-8.

<sup>57</sup> See, e.g., Dominion's Post-Hearing Brief at 30-36.

<sup>58</sup> The Commission recognizes that these consumer protections may be subsequently clarified by either the Supreme Court of Virginia or the General Assembly. In addition, the Commission will not, at this time, direct the Company to retain an independent monitor for the Project. See Clean Virginia's Post-Hearing Brief at 7-8.

<sup>59</sup> This includes, but is not necessarily limited to, material changes related to cost estimates, the timeline for construction and operation, and primary contractors and contracts. The Company shall further update this information within six (6) months from filing the annual Rider OSW application if additional material changes occur subsequent thereto.

<sup>60</sup> *Application of Virginia Electric and Power Company and Blue Ocean Energy Marine, LLC, For approval of an affiliate agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2021-00292, Doc. Con. Cen. No. 220320231, Order Granting Approval (Mar. 18, 2022); Ex. 41 (Welsh) at 12-13.

<sup>61</sup> As noted above, the Commission must determine reasonableness and prudence of requested costs in each Rider OSW proceeding. Accordingly, while requiring the above information to be included in annual Rider OSW applications for informational purposes, the Commission has not predetermined the weight that may be given such evidence in those proceedings. Similarly, while the Company's representations in the instant proceeding may be relevant to future requests for cost recovery (see, e.g., Walmart's Post-Hearing Brief at 11), the specific import thereof must be determined at the time. For purposes of determining cost overruns at this time, the Company should provide a written explanation if costs exceed the \$9.8 billion estimated construction cost provided in its Application. See Ex. 2 (Application) at 18.

<sup>62</sup> See, e.g., Ex. 9 (Bennett Direct) at 16, 19; Ex. 4 (Mitchell Direct) at 9-10; Ex. 40 (Kuleshova) at 34; Ex. 33 (Norwood) at 27; May 17 Tr. 234-237; May 19 Tr. 27; Consumer Counsel's Post-Hearing Brief at 4-5; Walmart's Post-Hearing Brief at 15; Clean Virginia's Post-Hearing Brief at 9-10.

<sup>63</sup> Net capacity factor is calculated by multiplying the gross capacity factor by the Project's availability factor. For this Project, Dominion multiplied a gross capacity factor of 43.3% by an availability factor of 97%, resulting in a net capacity factor of 42%. See, e.g., Ex. 9 (Bennett Direct) at 19, May 18 Tr. at 258-260. See also Ex. 45 (Joshiyura) at Schedule 1 for the inputs in the calculation of the gross capacity factor.

<sup>64</sup> See, e.g., Ex. 33 (Norwood) at 26-27; May 18 Tr. 25-36; Consumer Counsel's Post-Hearing Brief at 3-5.

<sup>65</sup> See, e.g., Walmart's Post-Hearing Brief at 15-17; Clean Virginia's Post-Hearing Brief at 8-10; Virginia Department of Energy's May 17, 2022 Comments at 2 ("supports Commission Staff's suggestion of a performance guarantee"); Appalachian Voices' Post-Hearing Brief at 20-22.

<sup>66</sup> Examples of costs from which customers may need to be held harmless in this regard include additional costs resulting from shortfalls in energy production, shortfalls in renewable energy certificates ("RECs"), and loss of any tax credits contingent on energy production, as applicable. The specific implementation of this performance standard, however, will be determined based on the record of any future proceeding thereon.

As noted by the parties requesting such, this performance standard does not prevent the Company from collecting its reasonably and prudently incurred costs. Rather, it protects consumers from the risk of additional costs for procuring replacement energy if the average 42% net capacity factor upon which the Company bases this Project is not met. Dominion, nonetheless, asserts that it would be inappropriate for *the Company* to be put at risk if it fails to meet the capacity factor upon which it has justified and supported this Project.<sup>67</sup> We disagree. This particular risk for this particular Project should not fall on the Company's customers.

#### *Consumer Protections are Still Limited*

In requesting the consumer protections above, Consumer Counsel, Walmart, Clean Virginia, and Appalachian Voices highlight the unprecedented risks that this Project places on Virginia consumers. Yet, these parties must undoubtedly recognize that consumers cannot be protected from the most significant risks attendant to the Project. As discussed above, the Company has chosen a construction and ownership model that places most of the risks on customers. Indeed, this is one of the reasons why Clean Virginia seeks an independent assessment of whether the utility-owned model for this Project should *not* be used for the next 2,600 MW tranche of offshore wind.<sup>68</sup>

For example, after the Project begins commercial operations, the above performance standard protects customers – who are paying for this Project – from also having to pay for *replacement* energy if the Project does not generate the amount of electricity upon which Dominion bases its request and its cost estimates. That performance standard, however, does not protect customers from the estimated bill impacts (discussed separately below), from cost overruns, or if the Project is abandoned.

As to cost overruns, Dominion explains cost increases could occur that are not the result of unreasonable or imprudent action by the Company and, moreover, that could fall within the presumption of reasonableness and prudence in Code § 56-585.1:11 C 1. Dominion states these cost overruns would be borne by customers, not the Company.<sup>69</sup>

The Company is also forthright in addressing the prospect where the Project never becomes operational or is at some point abandoned (*e.g.*, due to cost, construction, or operational issues that make it imprudent or impracticable to proceed). In that situation, Dominion states customers would still pay for costs the Company prudently incurred up to the point of abandonment.<sup>70</sup> And these costs obviously would not be inconsequential. Even if the Project is abandoned at the end of 2023, Dominion still estimates it would have prudently incurred approximately \$3.7 billion of costs to be recovered from customers.<sup>71</sup> The closer an abandonment occurs to the projected operational date, the closer these costs naturally get to the total estimated cost of the Project.

#### F. VCEA Cost Responsibility & Cost Recovery Framework

To promote transparency, the Commission further notes that the costs of Rider OSW, like all VCEA-related costs, will generally be paid by all of DEV's retail customers, even those who take electric supply service from a competitive service provider ("Shopping Customers"),<sup>72</sup> as a non-bypassable charge, with certain limited statutory exceptions. Prior to the VCEA, Shopping Customers would generally not be responsible for the costs of Dominion generation facilities to the extent they procure for their own energy and capacity from someone other than Dominion. The VCEA now directs that Shopping Customers pay for VCEA-related costs, with limited exceptions. Specifically, pursuant to Code § 56-585.5 F:

All costs incurred by a Phase I or Phase II Utility related to compliance with the requirements of this section or pursuant to § 56-585.1:11 . . . shall be recovered from all retail customers in the service territory of a Phase I or Phase II Utility as a non-bypassable charge, irrespective of the generation supplier of such customer, except (a) as provided in subsection G for an accelerated renewable energy buyer ["ARB"] or (b) as provided in subdivision C 3 of § 56-585.1:11, with respect to the costs of an offshore wind generation facility, for a PIPP eligible utility customer or an advanced clean energy buyer or qualifying large general service customer, as those terms are defined in § 56-585.1:11.

Similarly, Code § 56-585.1:11 C 3 directs:

[a]ny such costs proposed for recovery through a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 shall be allocated to all customers of the utility in the Commonwealth as a non-bypassable charge, regardless of the generation supplier of any such customer, other than (i) PIPP eligible utility customers, (ii) advanced clean energy buyers, and (iii) qualifying large general service customers.

<sup>67</sup> See, *e.g.*, May 18 Tr. at 276-278; Dominion's Post-Hearing Brief at 24-30, 33-36.

<sup>68</sup> See, *e.g.*, Clean Virginia's Post-Hearing Brief at 10-13. Because the statute does not prohibit the utility from choosing a utility-owned model, the Commission declines this request at this time.

<sup>69</sup> See, *e.g.*, Dominion's Post-Hearing Brief at 41-44.

<sup>70</sup> *Id.* at 43.

<sup>71</sup> May 17 Tr. 173-174; See also Ex. 2 (Application) at Filing Schedule 46.b.1.vi, Statement 3, p. 2.

<sup>72</sup> For example, some customers purchase non-renewable energy from a competitive service provider, while some purchase renewable energy from a competitive service provider. See Code §§ 56-577 A and 56-585.5. For purposes of this discussion, those customers who purchase RECs only to offset all or a portion of their energy usage are not included in the term "Shopping Customers."

Code § 56-585.5 F further directs the Commission to conduct a proceeding to "determine the amount of such *costs, net of benefits*, that should be allocated to [Shopping Customers]."<sup>73</sup> After conducting such a proceeding, the Commission found that the applicable benefits to be credited to Shopping Customers subject to paying VCEA costs should include "energy, capacity, environmental attributes, and ancillary services produced by the resources acquired or constructed to comply with the VCEA."<sup>74</sup> The Commission also endorsed a revised rate adjustment clause framework ("RAC Framework")<sup>75</sup> for the recovery of Renewable Portfolio Standard ("RPS")-related costs. For example, under this multiple-RAC system, costs and benefits of RPS generation resources are matched within the appropriate rate mechanism (i.e., costs and benefits of the CVOW Project are both recognized in Rider OSW) to facilitate the payment by Shopping Customers of "costs, net of benefits."<sup>76</sup>

As a result of adoption of the RAC Framework that has "costs, net of benefits" recognized in each generation RAC individually, the design of Rider OSW (for the generation CVOW Project) includes certain benefits that were previously credited to customers through different rate mechanisms. As calculated by Staff, the Virginia-jurisdictional projected lifetime revenue requirement of Rider OSW is \$24.07 billion before any credits or benefits are applied.<sup>77</sup> As explained below, after credits for investment taxes and benefits related to fuel, RECs, and capacity are included, this figure drops to \$7.38 billion.<sup>78</sup>

In particular, the calculated fuel benefit of \$10.28 billion recognizes projected energy revenues received from PJM associated with CVOW energy sales into the PJM wholesale energy market.<sup>79</sup> Prior to implementation of the revised RAC Framework, instead of being a credit to Rider OSW, the CVOW associated PJM energy revenues (a customer "benefit") would have been a credit to the Company's fuel factor, where they would offset (or be netted against) PJM energy charges in the fuel factor, including those charges associated with CVOW.<sup>80</sup> Shopping Customers are not required to pay the fuel factor and therefore, under the pre-VCEA RAC Framework, would not receive the OSW benefit (PJM energy credit) that flows through that mechanism. Consistent with the revised RAC Framework, Rider OSW includes the OSW energy benefit (PJM credit).<sup>81</sup> All things being equal, when CVOW operates the fuel factor will be higher and Rider OSW will be lower under the revised RAC Framework compared to how the Company previously recovered generation and related costs through RACs approved under Code § 56-585.1 A 6.<sup>82</sup>

Similarly, the projected lifetime revenue requirement for Rider OSW includes a recognition of the capacity benefit of CVOW.<sup>83</sup> As calculated by Staff, this amount is projected to be a \$1.41 billion offset to the Virginia-jurisdictional lifetime revenue requirement of Rider OSW.<sup>84</sup> As explained by Dominion, by including CVOW in PJM's Fixed Resource Requirement Plan, the Project reduces the amount of capacity Dominion must ultimately procure from other resources.<sup>85</sup> Under the revised RAC Framework, this capacity value or credit (a benefit) is also passed along to customers through Rider OSW, whereby in the past it would have been in base rates to net against Dominion capacity system expenses.<sup>86</sup>

<sup>73</sup> Emphasis added. See *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Allocating RPS costs to certain customers of Virginia Electric and Power Company*, Case No. PUR-2020-00164, 2021 S.C.C. Ann. Rept. 270, Final Order (Sept. 23, 2021) ("Allocation Order").

<sup>74</sup> *Id.* at 272 (emphasis omitted). The Commission further directed that RPS eligible RECs provided by shopping customers represent a benefit that should also be included in the net of benefits calculation. *Id.*

<sup>75</sup> The RAC Framework was proposed by Staff and refined by Dominion during the case. 2020 RPS Order at 252.

<sup>76</sup> See May 18 Tr. 205; 2020 RPS Final Order; Code § 56-585.5 F.

<sup>77</sup> Ex. 41 (Welsh) at 8.

<sup>78</sup> *Id.* at 7, 8.

<sup>79</sup> *Id.* at 6, 8. This \$10.28 billion is a benefit "produced by the resources acquired or constructed to comply with the VCEA" to which Shopping Customers are entitled. See Allocation Order at 272.

<sup>80</sup> May 19 Tr. 81. Because Dominion's generation costs (capital, finance and fuel) are paid by ratepayers through base rates and RACs, Dominion's participation in the PJM energy market has historically required that the credits for energy sold to PJM, as well as the charges for energy bought from PJM, be netted so that ratepayers do not pay twice for these services. Under the revised RAC Framework, the fuel factor will continue to include the costs of Dominion participating in the energy market without the offset or netting of the OSW credit from PJM. The credit is not a new source of dollars, it is just transferred to a new place.

<sup>81</sup> May 18 Tr. 204-206.

<sup>82</sup> May 19 Tr. 90-91.

<sup>83</sup> Dominion's Post-Hearing Brief at 46-47.

<sup>84</sup> Ex. 41 (Welsh) at 6, 8.

<sup>85</sup> Dominion's Post-Hearing Brief at 46-47.

<sup>86</sup> Dominion's Post-Hearing Brief at 46-47. Determinations related to the appropriate methodology for calculating the proxy value of avoided capacity costs will be examined in Case No. PUR-2021-00156. *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing a proceeding concerning the allocation of RPS-related costs and the determination of certain proxy values for Virginia Electric and Power Company*, Case No. PUR-2021-00156, Doc. Con. Cen. No. 220110155, Order for Notice and Hearing (Jan. 10, 2022).

The same holds true with regard to the value of CVOW Project RECs. Under the VCEA, Dominion must procure and retire RECs annually to comply with the mandatory RPS Program.<sup>87</sup> Dominion's RPS Program requirements run through 2045, and the utility's costs for the RPS Program are recovered through Rider RPS.<sup>88</sup> Pursuant to the revised RAC Framework, Rider OSW "sells" the RECs related to CVOW's energy production to Dominion's Rider RPS, creating a charge to Rider RPS and a benefit to Rider OSW.<sup>89</sup> The lifetime revenue requirement of Rider OSW as calculated by Staff includes a credit of \$2.63 billion for the value of the RECs produced by CVOW.<sup>90</sup> This credit will reduce the lifetime revenue requirement of Rider OSW,<sup>91</sup> though the Commission notes customers will pay an equal amount through Rider RPS for the CVOW RECs that are retired for compliance with the RPS Program and not sold.<sup>92</sup>

This movement of costs – and revenues – for recovery via different rate mechanisms in the revised RAC Framework (compared to the RAC framework used prior to the VCEA) is the method that facilitates Dominion's ability to charge Shopping Customers the "costs, net of benefits" of the VCEA generally, and the CVOW Project specifically, as set forth in Code §§ 56-585.1:11 and 56-585.5. As a result, the lifetime revenue requirement of Rider OSW presents an incomplete picture of the various rate impacts to customers.<sup>93</sup> When viewed in isolation, Rider OSW is thus the least common denominator, *i.e.*, the cost that nearly all customers – whether shopping or non-shopping – will pay related to the CVOW Project.<sup>94</sup> The majority of Dominion's customers are not Shopping Customers and thus will pay the "cost, net of benefits" for the CVOW Project as reflected in Rider OSW, plus: (i) a fuel factor that is higher than before the use of the revised RAC Framework; (ii) a potential increase to the capacity portion of base rates due to the recognition of a capacity benefit in Rider OSW; and (iii) the cost of the proxy value of RECs produced by the CVOW facility that are charged to Rider RPS.<sup>95</sup>

To be clear, total Project costs, including financing costs, less investment tax credits, are estimated to be approximately \$21.5 billion on a Virginia-jurisdictional basis, assuming such costs are reasonable and prudent.<sup>96</sup> And all of these costs, not just \$7.38 billion, will find their way into ratepayers' electric bills in some manner.<sup>97</sup>

#### G. Code § 56-585.1:11 D

As required by Code § 56-585.1:11 D, Dominion submitted a plan addressing, *inter alia*, the utilization of local workers; economic development; advancement of the Commonwealth's workforce and economic development goals; the hiring, apprenticeship, and training of veterans, local workers, and workers from historically economically disadvantaged communities; and procurement of equipment from Virginia-based or United States-based manufacturers.<sup>98</sup> The Commission finds that Dominion's plan complies with Code § 56-585.1:11 D.

In addition, in response to testimony from the Sierra Club,<sup>99</sup> the Company states it has also pledged additional efforts related to this plan in the proposed Stipulation, including committing to diversity, equity, and inclusion tracking and reporting, as well as Company hiring targets and community outreach.<sup>100</sup> While the Commission has not adopted the Stipulation herein, this does not prevent Dominion from addressing these important efforts.

<sup>87</sup> Code § 56-585.5 C.

<sup>88</sup> See Code § 56-585.5 C and 2020 RPS Final Order at 244, 252-253.

<sup>89</sup> May 19 Tr. 91-94; Dominion Post-Hearing Brief at 47.

<sup>90</sup> May 19 Tr. 91-94.

<sup>91</sup> May 19 Tr. 91-94; Dominion Post-Hearing Brief at 47.

<sup>92</sup> The Commission recognizes that customers must pay for the cost of some RECs, whether from CVOW or another qualifying facility, if Dominion is to comply with its RPS Program requirements. Of note, a different rate mechanism for these REC costs is used because certain customers are exempt under the VCEA from paying REC costs, such as accelerated renewable buyers, but are not exempt from paying the costs of offshore wind resources. See Code §§ 56-585.1:11 and 56-585.5.

<sup>93</sup> Dominion objected to providing a projected bill impact analysis of Rider OSW by year over the life of the rider for a residential customer's monthly bill. Ex. 41 (Welsh) at 6 n.4. We direct the Company, in future annual Rider OSW petitions, to provide the projected bill impact of Rider OSW and the project, by year, over the life of the rider for a residential customer's monthly bill, based on 1,000 kWh per month, which was not provided in this case. Ex. 41 (Welsh Direct) at 6, n.4 and Appendix D at 32. Dominion shall also provide examples of projected bill impacts for small general service customers and large general service customers. Similarly, the rate impact analysis for Rider OSW likely understates the rate impact that will result from approval of the CVOW Project.

<sup>94</sup> Code § 56-585.1:11 exempts from paying for Rider OSW two types of customers who pay for some portion of the CVOW facility's energy production and environmental attributes through separate contractual arrangements (referred to by statute as "advanced clean energy buyers" and "qualifying large general service customers"), and Percentage of Income Payment Program eligible customers.

<sup>95</sup> The Commission recognizes that the requirements of the VCEA including REC retirements must be met whether or not this Project is approved. Therefore, in the absence of this Project, the Company will need to procure RECs in another manner or purchase them.

<sup>96</sup> Ex. 41 (Welsh) at 6, Statement VI.

<sup>97</sup> Dominion itself acknowledges this, stating "[w]hile there would be no net change in total revenue requirement as a result of this exchange, there may be a difference between cost allocation, non-bypassable charges, and which customers pay how much for each rider." Dominion's Post-Hearing Brief at 47.

<sup>98</sup> See Ex. 2 (Application) at Generation Appendix, p. 136-154.

<sup>99</sup> See, *e.g.*, Ex. 32 (Little); Sierra Club's Post-Hearing Brief at 2-6.

<sup>100</sup> Dominion's Post-Hearing Brief at 52-53 n.81.



## II. The Virginia Facilities

The Company specifically requests approval and certification of the following Virginia Facilities in the Cities of Virginia Beach and Chesapeake, Virginia: (i) offshore export circuits;<sup>101</sup> (ii) onshore export circuits;<sup>102</sup> (iii) a switching station called Harpers Switching Station;<sup>103</sup> (iv) overhead transmission circuits;<sup>104</sup> (v) Line #271 Partial Rebuild;<sup>105</sup> (vi) Line #2240 Rebuild;<sup>106</sup> and (vii) the expansion of the Fentress Substation, where the Company would have a 500 kV interconnection to interconnect the CVOW Project with the transmission system.<sup>107</sup> The desired in-service target date for the Virginia Facilities is July 31, 2025.<sup>108</sup> The estimated conceptual cost of the onshore Virginia Facilities is approximately \$1,148.5 million, which includes approximately \$774.3 million for transmission-related work and approximately \$374.2 million for substation-related work (2021 dollars).<sup>109</sup>

Based on the record established herein and discussed further below, the Commission finds that the Virginia Facilities should be approved. We note that no party has opposed approval of, or granting a certificate of public convenience and necessity ("CPCN") for, the Virginia Facilities.<sup>110</sup>

### A. Statutory Authority

Code § 56-46.1 A provides in part:

<sup>101</sup> The Offshore Export Circuits consist of installing nine 230 kilovolt ("kV") submarine export circuits, which begin approximately 3.0 miles offshore at the Virginia jurisdictional line demarcating state-owned submerged lands and extend to an onshore Cable Landing Location on the State Military Reservation in the City of Virginia Beach. Ex. 2 (Application) at 11.

<sup>102</sup> At the onshore Cable Landing Location on the State Military Reservation, the Offshore Export Circuits will transition to nine underground 230 kV Onshore Export Circuits, which will extend underground approximately 4.4 miles to the proposed Harpers Switching Station located on Naval Air Station Oceana ("NAS Oceana") property in Virginia. *Id.*

<sup>103</sup> The Company proposes to construct a 230 kV Gas Insulated Station ("GIS"), 12 line-position, breaker-and-a-half bus configuration switching station on a site located along Harpers Road at NAS Oceana, which will transition the nine Onshore Export Circuits to three Overhead Transmission Circuits. The proposed arrangement will include twenty-five 230 kV 4000A circuit breakers, nine 230 kV 180 megavolt-ampere ("MVA") reactive ("MVAR") fixed reactor banks, two 230 kV 150 MVAR variable reactor banks, three 250 MVAR static synchronous compensators, and associated facilities. *Id.* at 11-12.

<sup>104</sup> Dominion plans to install three new overhead 230 kV transmission circuits, each with a rating of approximately 1,500 MVA, along the same corridor extending approximately 14.2 miles between the Harpers Switching Station and the Company's existing Fentress Substation and utilizing a combination of new, existing and expanded right-of-way ("ROW") in the Cities of Virginia Beach and Chesapeake. *Id.* at 12.

<sup>105</sup> This involves the wreck and rebuild approximately 6.1 miles of the Company's existing approximately 7.1-mile 230 kV overhead Landstown-Pocaty Line #271, which also supports idle 115 kV Line #I-74. With a few exceptions, the Company will wreck the existing double circuit lattice structures for Lines #271/#I-74 and replace them with (i) new double circuit monopole structures to carry Line #271 and one Overhead Transmission Circuit, and (ii) either new single circuit or double circuit monopole structures to carry the two remaining Overhead Transmission Circuits. The Line #271 Partial Rebuild will rebuild COR-TEN® towers that have been identified for replacement and remove idle Line #I-74. The Company asserts that it determined based on sound engineering judgment that it is prudent to wreck these COR-TEN® structures in order to accommodate the Overhead Transmission Circuits on collocated structures within the existing right-of-way and during the same outage, and expedite the rebuild of these structures as part of the Virginia Facilities. *Id.*

<sup>106</sup> This involves the wreck and rebuild of the entire approximately 1.9 miles of the Company's existing 230 kV overhead Fentress-Pocaty Line #2240, which also supports idle 115 kV Line #I-74, where all three Overhead Transmission Circuits will be collocated on structures within a 40-foot expanded ROW (from the existing 120-foot-wide ROW to an expanded 160-foot ROW). The Line #2240 Partial Rebuild will rebuild COR-TEN® towers that have been identified for replacement and will remove idle Line #I-74. The Company asserts that it determined based on sound engineering judgment that it is prudent to wreck these COR-TEN® structures in order to accommodate the Overhead Transmission Circuits on co-located structures within the existing right-of-way and during the same outage, and expedite the rebuild of these structures as part of the Virginia Facilities. *Id.*

<sup>107</sup> Dominion seeks to expand the existing 500-230 kV Fentress Substation in Chesapeake, Virginia. The proposed arrangement will expand the existing 500 kV yard into a GIS six-position ring bus, install three new 230 kV line terminals, uprate the existing 230 kV Line #2240 terminal to 4000A, which includes replacement of four disconnect switches, and install a new control house to accommodate communications and protective relays. The proposed arrangement, which also includes installation of circuit breakers, transformers and related equipment, expands the Fentress Substation entirely within Company-owned property. Based on conceptual design, in order to expand the Fentress Substation to the north and accommodate the routing of existing Line #2128 into the station, two structures (Structures #2128/1 and #2128/2) will be removed and replaced with four new structures (Structures #2128/1, #2128/1 A, #2128/1B, and #2128/2), all entirely within existing right-of-way or on Company-owned property. Additionally, the Company proposes to remove three 500 kV structures (Structures #588/254, #588/255, and #588/256) and replace with two new 500 kV structures (Structures #588/254 and #588/255). Proposed Structure #588/255 is a backbone structure and will be located inside Fentress Substation, while proposed Structure #588/254 will be in existing right of way to the west of Fentress Substation. *Id.* at 13.

<sup>108</sup> *Id.* at 15.

<sup>109</sup> *See Id.* at 16; Ex. 45 (Joshipura) at Staff Report p. 41. This calculation excludes approximately 3.0 miles of offshore cable located in Virginia's jurisdictional boundary, but includes the direct pipe construction from approximately 1,800 feet offshore to the State Military Reservation cable landing location. Ex. 2 (Application) at 16 n.16. The cost of the Virginia Facilities is included in the total CVOW Project costs. *See Ex. 2 (Application) at 18.*

<sup>110</sup> *See May 17 Tr. 33-34, 58, 65, 81, 91-94.*

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted pursuant to Article 3 (§ 15.2-2223 et seq.) of Chapter 22 of Title 15.2.

Code § 56-46.1 A also provides:

In order to avoid duplication of governmental activities, any valid permit or approval required for an electric generating plant and associated facilities issued or granted by a federal, state or local governmental entity charged by law with responsibility for issuing permits or approvals regulating environmental impact and mitigation of adverse environmental impact or for other specific public interest issues such as building codes, transportation plans, and public safety, whether such permit or approval is granted prior to or after the Commission's decision, shall be deemed to satisfy the requirements of this section with respect to all matters that (i) are governed by the permit or approval or (ii) are within the authority of, and were considered by, the governmental entity in issuing such permit or approval, and the Commission shall impose no additional conditions with respect to such matters.

Code § 56-46.1 A also directs the Commission to consider the effect of a proposed facility on economic development in Virginia, stating in part:

Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Energy Policy set forth in §§ 67-101 and 67-102, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

Section 56-265.2 A 1 of the Code states that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

#### B. Public Convenience and Necessity

Dominion states the proposed Virginia Facilities are needed to reliably interconnect the proposed CVOW Project and to maintain the structural integrity and reliability of the transmission system in compliance with mandatory North American Electric Reliability Corporation Reliability Standards.<sup>111</sup> Based on information provided by the Company, Staff concluded that the Company had reasonably demonstrated the need for a 500 kV interconnection to connect the Project to the transmission grid, and that it is prudent to rebuild the Lines #271 and #2240.<sup>112</sup> Staff therefore does not oppose the issuance of CPCNs for the Virginia Facilities as part of this proceeding.<sup>113</sup> The Commission agrees that given the statutory parameters the General Assembly has set for offshore wind, the Virginia Facilities are needed to reliably interconnect the proposed Project and to maintain the structural integrity and reliability of the transmission system.<sup>114</sup>

#### C. Economic Development

The Commission has considered the effect of the Virginia Facilities on economic development in the Commonwealth and finds that the Virginia Facilities will maintain reliable service for overall economic growth in the area, thereby supporting economic development.<sup>115</sup>

#### D. Routing and ROW

As part of its Application, the Company included: (i) one route for the Offshore Export Circuits, which begins approximately 3.0 miles offshore at the Virginia jurisdictional line and extends to the proposed onshore Cable Landing Location; (ii) one route for the Onshore Export Circuits from the Cable Landing Location to the Harpers Switching Station, which is an approximately 4.4 mile underground route ("CLH Route"); and (iii) several alternatives for the overhead portion of the route from the proposed Harpers Switching Station to the existing Fentress Substation, with the Company recommending approval of a specific proposed route for the overhead portion ("Proposed Route 1") (collectively, the "Proposed Route").<sup>116</sup>

<sup>111</sup> Ex. 2 (Application) at 11-13.

<sup>112</sup> Ex. 45 (Joshipura) at Staff Report p. 65.

<sup>113</sup> *Id.* at 66.

<sup>114</sup> Staff concluded that the work associated with the removal and replacement of the structures supporting existing 230 kV Line #2128 and the removal and replacement of the structures supporting existing 500 kV Line #588 should not qualify as ordinary extensions or improvements in the usual course of business, and therefore would require a CPCN. Staff does not oppose the issuance of CPCNs as part of this proceeding. Ex. 45 (Joshipura Direct) at Staff Report p. 65. We concur and find that these structures should be included in the CPCN granted in this case.

<sup>115</sup> We direct the Company to provide its own analysis in the future or arrange for the Staff's interrogatories regarding such analysis to be answered. *See* Ex. 42 (Carsley) at 5-7.

<sup>116</sup> *See* Ex. 2 (Application) at 14-15; Ex. 2 (Application) at Transmission Appendix p. 68-74; Ex. 45 (Joshipura) at Staff Report p. 16-17, 21-39.

We concur with Staff that Proposed Route 1 is the shortest route that has the least environmental impacts.<sup>117</sup> It is also the least costly of the Harpers to Fentress Routes.<sup>118</sup> We further find that Proposed Route 1 attempts to minimize the impact on existing residences.<sup>119</sup> In addition, the CLH Route and/or Proposed Route 1 is supported by the City of Virginia Beach, the City of Chesapeake, the State Military Reservation, the United States Navy, the United States Army Corps of Engineers, the Nature Conservancy, and the Nansemond Indian Nation.<sup>120</sup> Given the totality of the evidence, we find the Proposed Route to be the optimal route for the Virginia Facilities.

Further, Dominion has adequately considered usage of existing ROW. The CLH Route requires new ROW that has been agreed upon by the State Military Reservation, the United States Navy, and the City of Virginia Beach.<sup>121</sup> Proposed Route 1 utilizes a combination of new, existing, and expanded ROW.<sup>122</sup> Significantly, however, when performing its routing study, the Company considered various routing opportunities that included, among others, existing transmission line corridors, a fuel pipeline, roads, a railroad, and a Southeastern Parkway and Greenbelt Corridor ("SEPG").<sup>123</sup> Proposed Route 1 would utilize more collocated routing opportunities, more of the SEPG corridor, and more existing transmission ROW than other alternative routes.<sup>124</sup>

#### E. Impact on Scenic Assets and Historic Districts

Dominion summarized and quantified the potential environmental impacts associated with each route or route variation included in its Application.<sup>125</sup> Staff reviewed this information and determined the Proposed Route avoids or minimizes impact on scenic assets, historical resources, and the environment.<sup>126</sup> The Nansemond Indian Nation also reviewed the routes and determined that, "Although [Proposed Route 1] does contain recorded sites, of the routes set out in the Application, [Proposed Route 1] appears to disturb the least amount of undisturbed land."<sup>127</sup> The Commission finds that construction of the Virginia Facilities using the Company's Proposed Route will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Virginia Department of Historic Resources ("DHR"), and environment of the area concerned, as required by Code § 56-46.1 B, subject to the recommendations provided in the following section.

#### F. Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the impact of the Virginia Facilities on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Virginia Facilities by state agencies concerned with environmental protection. The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Virginia Facilities. This finding is supported by the DEQ Report, as nothing therein suggests that the electric transmission facilities should not be constructed. There are, however, recommendations in the DEQ Report for the Commission's consideration.

- Follow DEQ recommendations including the avoidance and minimization of impacts to wetlands and streams.
- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels.
- Evaluate identified Pollution Complaint cases to establish the exact location, nature, and extent of the petroleum release and the potential to impact the Project.

<sup>117</sup> See Ex. 45 (Joshipura) at Staff Report p. 54, 57, 63, 65.

<sup>118</sup> See *id.* at 60, 63. See also May 17 Tr. 40-41. According to the Company, upon energization, the transmission lines from the Harpers Switching Station to the Fentress Substation would no longer be considered interconnection lines, but would become system transmission assets and the ongoing operation and maintenance costs would be collected through the Federal Energy Regulatory Commission's formula rate. See May 17 Tr. 337.

<sup>119</sup> Ex. 45 (Joshipura) at Staff Report p. 54, 58-59. Further, we note that many of the homes are in areas where the proposed alignment of the route is within or adjacent to existing transmission lines and that, due to the common alignment of certain sections of the potential routes, many of the same residences would be impacted by all of the potential overhead routes. See *id.* at 58. Moreover, while the Commission has considered the Hybrid Route, where a portion of the route would be underground, we find that the Hybrid Route would have many of the same impacts as Proposed Route 1, as it converts from underground to overhead for a portion of the route, and would additionally have a greater impact to wetlands and result in significantly higher costs to ratepayers than Proposed Route 1. See *id.* at 47, 60-62; May 17 Tr. 40-41.

<sup>120</sup> See *id.* at 54, 60-61, 63 n. 223; Ex. 38 (Horton) at 5.

<sup>121</sup> See Ex. 2 (Application) at 14.

<sup>122</sup> *Id.*

<sup>123</sup> Ex. 45 (Joshipura) at Staff Report p. 15.

<sup>124</sup> See *id.* at 56-57. The Hybrid Route would utilize the same number of miles of collocated routing opportunities, the SEPG corridor, and existing transmission ROW as Proposed Route 1. *Id.*

<sup>125</sup> See Ex. 28 (Berkin Supp. Direct) at Sch. 5; Ex. 45 (Joshipura) at Staff Report p. 42.

<sup>126</sup> Ex. 45 (Joshipura) at Staff Report p. 54, 65.

<sup>127</sup> Ex. 38 (Horton) at 5.

- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable.
- Coordinate with the Department of Conservation and Recreation on identified inventories of natural heritage resources.
- Consider measures to minimize the fragmentation of ecological cores to preserve the natural patterns and connectivity of habitats that are key components of biodiversity.
- Coordinate with the Department of Conservation and Recreation for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the Project construction to avoid and minimize impacts to natural heritage resources.
- Coordinate with the Department of Wildlife Resources ("DWR") as necessary regarding the protection of listed wildlife species.
- Coordinate with the DWR as necessary regarding the general protection of wildlife resources.
- Coordinate with the Department of Forestry, if necessary, for advice or assistance with forest management, pre-harvest planning or mitigation practices.
- Employ best management practices and spill prevention and control countermeasures as appropriate for the protection of water supply sources.
- Follow the principles and practices of pollution prevention to the extent practicable.
- Limit the use of pesticides and herbicides to the extent practicable.<sup>128</sup>

Dominion filed a response opposing four of the DEQ's recommendations. First, the DEQ's Division of Land Protection and Revitalization identified two petroleum release sites and recommended the Company further evaluate the exact location of the release, the nature and extent of the release, and the potential impact on the area surrounding the Virginia Facilities.<sup>129</sup> Dominion states that it has reviewed the release sites and determined that they do not warrant further concern based on the documented regulatory status (*i.e.*, closed pollution complaints), the time elapsed since closure, and/or the hydrological relationship of the release sites to the proposed Virginia Facilities area.<sup>130</sup> Based on the Company's assertion that further evaluation of the release sites is not warranted because it has already properly evaluated the sites, we will not require the Company to further evaluate the sites.<sup>131</sup>

Second, DCR-DNH recommended that Dominion minimize fragmentation of ecological cores.<sup>132</sup> Dominion asserts that it made efforts during its study of potential routes to minimize fragmentation, and states that it will work with DCR-DNH to minimize fragmentation as practicable.<sup>133</sup> We find that despite the Company's stated consideration of fragmentation, the DCR-DNH recommendation is not unreasonable and the Company should be required to adhere to it.<sup>134</sup>

Third, DCR-DNH recommends that Dominion conduct an inventory of certain documented, rare resources in the area of the Virginia Facilities, including the Long beach seedbox, Virginia least trillium, Little Metalmark, and Duke's skipper, to evaluate potential impacts and offer specific protection recommendations for minimizing impacts to the documented resources.<sup>135</sup> Dominion recommends the Commission reject this recommendation, stating the identified species are not threatened or endangered species protected under either the Endangered Species Act or under a Virginia statute, and that as such it does not believe it is appropriate for customers to bear the additional costs related to this recommendation.<sup>136</sup> The Company, however, asserts it will educate its construction team with information about these species prior to the commencement of construction activities, and agrees to coordinate with DCR-DNH if the species are found within the approved routes for the Onshore Export Circuits and the Overhead Transmission Circuits.<sup>137</sup> Based on the record developed herein, the Commission agrees with Dominion that customers should not bear the costs of the recommended survey. The Commission therefore declines to adopt DCR-DNH's recommendation but directs the Company to educate its construction personnel regarding the rare species prior to the commencement of construction activities and to coordinate with DCR-DNH if the species is found within the Project area.<sup>138</sup>

<sup>128</sup> Ex. 39 (DEQ Report) at 7-8.

<sup>129</sup> *Id.* at 20-21.

<sup>130</sup> Ex. 61 (Stuebaker Rebuttal) at 3-5.

<sup>131</sup> *See id.* at 5.

<sup>132</sup> Ex. 39 (DEQ Report) at 26-28.

<sup>133</sup> Ex. 61 (Stuebaker Rebuttal) at 6-8.

<sup>134</sup> We have previously made similar findings in prior proceedings. *See, e.g.*, 2021 RPS Final Order at 27.

<sup>135</sup> Ex. 39 (DEQ Report) at 26-28.

<sup>136</sup> Ex. 61 (Stuebaker Rebuttal) at 8-9.

<sup>137</sup> *Id.*

<sup>138</sup> This finding is consistent with prior Commission decisions. *See, e.g.*, *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: DTC 230 kV Line Loop and DTC Substation*, Case No. PUR-2021-00280, Doc. Con. Cen. No. 220710054, Final Order at 15 (July 7, 2022).

Finally, Dominion urges rejection of the recommendation by DEQ to consider the development of an effective Environmental Management System ("EMS"), stating that the recommendation is duplicative as the Company already has a comprehensive EMS Manual in place that ensures it is committed to complying with environmental laws and regulations.<sup>139</sup> As we have in prior cases, we find that Dominion's existing EMS Manual achieves the purpose of this recommendation.<sup>140</sup>

The Company also seeks to clarify five recommendations.<sup>141</sup> DWR recommended that: (i) the Company conduct significant tree removal and ground-clearing activities outside of the primary songbird nesting season of March 15 through August 15, and (ii) the Project corridor and sites should be visually assessed for the presence of colonial waterbird colonies to protect them from harm associated with construction, and coordinate with the DWR if any colonies are detected.<sup>142</sup> The Company states that it does not object to either of these recommendations pertaining to birds.<sup>143</sup> The Commission accepts this clarification.

Next, DWR recommends that Dominion adhere to time-of-year restrictions from March 15 through June 30 of any year for instream work.<sup>144</sup> The Company asserts that there is no proposed instream work for any of the overhead routes of the Virginia Facilities, including Proposed Route 1, but would abide by any time-of-year restrictions related to that work.<sup>145</sup> We concur the Company should abide by any time-of-year restrictions should any instream work be required while constructing the approved Proposed Route 1.

Next, DWR recommends the DEQ Supplement be amended to indicate adherence to time-of-year restrictions regarding bats maternity roosting locations.<sup>146</sup> Based on discussions with DWR regarding this recommendation, the Company proposes to add the following language to the DEQ Supplement appended to future applications: "[Dominion] would further minimize potential effects by avoiding trees favorable for bat maternity roosting locations and cutting trees and vegetation during the time-of-year restriction from April 15-August 15 to avoid nesting birds and bat maternity roosting locations, to the extent practicable."<sup>147</sup> We therefore approve the inclusion of the proposed language in the Company's future filings for approval and certification of transmission facilities.

Next, the Virginia Department of Health ("VDH") recommends that wells within a 1,000-foot radius of the Virginia Facilities should be field marked and protected from accidental damage during construction.<sup>148</sup> Dominion notes that water wells within 1,000 feet of the Proposed Route 1 will be outside of the Company's ROW and located on private property, which would prevent the Company from marking the wells as recommended. However, Dominion proposed an alternative method of well protection including plotting and calling out the wells on the Erosion and Sediment Control Plans, which the VDH agreed was reasonable.<sup>149</sup> The Commission accepts the alternative proposed by the Company and accepted by the VDH.

Finally, DHR recommended additional consideration of one site to assess the potential for burials within the Project area, given potential onshore transmission route options.<sup>150</sup> Dominion clarified that this site is only affected if certain alternative routes or variations are chosen.<sup>151</sup> As the Commission has approved Proposed Route 1, this site will not be affected.

We find that as a condition of the CPCN granted herein, the Company is required to comply with the recommendations in the DEQ Report and coordinate with DEQ to implement DEQ's recommendations, consistent with the requirements of this Order. Finally, as a further condition to the CPCNs granted herein, the Company shall obtain all environmental permits and approvals necessary to construct and operate the CVOW Project and the Virginia Facilities.

<sup>139</sup> Ex. 39 (DEQ Report) at 36-37; Ex. 61 (Stuebaker Rebuttal) at 9-10.

<sup>140</sup> See, e.g., *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Transmission Lines #2002 and #238/249 kV Partial Rebuild*, Case No. PUR-2021-00194, Doc. Con. Cen. No. 220320011, Final Order at 11 (Mar. 11, 2022).

<sup>141</sup> Ex. 60 (Carr Rebuttal) at 6-7; Ex. 61 (Stuebaker Rebuttal) at 10-13.

<sup>142</sup> Ex. 39 (DEQ Report) at 30, 32.

<sup>143</sup> Ex. 61 (Stuebaker Rebuttal) at 10-11.

<sup>144</sup> Ex. 39 (DEQ Report) at 30.

<sup>145</sup> Ex. 61 (Stuebaker Rebuttal) at 11.

<sup>146</sup> Ex. 39 (DEQ Report) at 32.

<sup>147</sup> Ex. 61 (Stuebaker Rebuttal) at 12.

<sup>148</sup> Ex. 39 (DEQ Report) at 33-34.

<sup>149</sup> Ex. 61 (Stuebaker Rebuttal) at 12-13.

<sup>150</sup> Ex. 39 (DEQ Report) at 36.

<sup>151</sup> Ex. 60 (Carr Rebuttal) at 6-7.

### G. Environmental Justice

The Virginia Environmental Justice Act sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>152</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>153</sup>

We agree with Staff that the Virginia Facilities do not appear to adversely impact the goals established by the Virginia Environmental Justice Act. The record in this matter includes information concerning environmental justice associated with the proposed Virginia Facilities and the impact on historically economically disadvantaged communities. For example, as noted above, Dominion included an Environmental Justice Report in its Application.<sup>154</sup> According to the Company, none of the proposed routes would result in a disproportionate impact on environmental justice communities.<sup>155</sup> Further, Staff found that the Company made a concerted effort to minimize impacts on environmental justice communities and other affected populations in the development of the Virginia Facilities and their associated proposed routes, though Staff recommends the Company continue to engage these communities in order to address any additional concerns as the design and construction of the Virginia Facilities progresses.<sup>156</sup>

We have considered this evidence in approving the proposed Virginia Facilities. Nothing in the record indicates that the proposed facilities will have an adverse impact on environmental justice communities or historically economically disadvantaged communities. We further find, however, that Dominion should continue to engage environmental justice communities and other affected populations, including, but not limited to, the continued coordination with the Nansemond Indian Nation regarding its historical and cultural concerns.<sup>157</sup>

Accordingly, IT IS ORDERED THAT:

(1) The Company's request for approval of a rate adjustment clause, designated Rider OSW, is approved as set forth herein.

(2) The Company forthwith shall file a revised Rider OSW and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(3) Rider OSW, as approved herein, shall be effective for usage on and after September 1, 2022.

(4) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Virginia Facilities is granted as provided herein, subject to the requirements set forth herein.

(5) Pursuant to the Utility Facilities Act, § 56-265.1 et seq. of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-SEC-2022-A which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the Cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach, all as shown on the detailed map attached to the Certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00142; Certificate No. ET-DEV-SEC-2022-A cancels Certificate No. ET-95aa issued to Virginia Electric and Power Company on November 8, 2019 in Case No. PUR-2019-00078.

(6) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(7) Upon receiving the maps directed in Ordering Paragraph (6), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (5) with the maps attached.

(8) This case shall remain open for purposes of receiving the reports described herein.

JAGDMANN, Commissioner, concurs:

I agree in all respects with the above Final Order. I write separately to emphasize the matters below.

<sup>152</sup> Code § 2.2-235. In addition, Code § 56-585.1 A 6 specifically directs that "[t]he Commission shall ensure that the development of new, or expansion of existing, energy resources or facilities does not have a disproportionate adverse impact on historically economically disadvantaged communities."

<sup>153</sup> Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, 2021 S.C.C. Ann. Rept. 368, 372, Final Order (Sept. 9, 2021).

<sup>154</sup> *See e.g., Ex. 2 (Application) at Generation Appendix p. 123-134.*

<sup>155</sup> *See Ex. 2 (Application) at Environmental Routing Study p. 221.*

<sup>156</sup> *See, e.g., Ex. 45 (Joshipura) at Staff Report p. 53.*

<sup>157</sup> *Ex. 38 (Horton) at 4-6.*

This is a legislatively favored Project. If the elements of Code § 56-585.1:11 are met, the costs of the Project are presumed "reasonable and prudent" – which means, in effect, "ratepayers pay."<sup>158</sup> While no case participants oppose this Project – most urge the Commission to enact ratepayer protections given the high cost of this Project and its significant risk.<sup>159</sup> As discussed above, the Commission has added specific protections – those being a requirement for regular reporting and a requirement (referred to as the "performance standard") that Dominion fund the cost of replacement power if the Project doesn't run or produce the quantity of power projected in the Company's analysis.<sup>160</sup> But these protections do not address the Project's already high projected cost<sup>161</sup> or the fact that the projected price could well continue its upward trajectory given current economic conditions,<sup>162</sup> supply chain issues,<sup>163</sup> and other risks addressed above. These protections also do not completely address potential Project abandonment risks.<sup>164</sup> Importantly, the General Assembly has effectively maintained its ability to implement additional protections – for example through funding mechanisms such as general fund appropriation or other means, such as implementing new legislation designating the consumer-funded proceeds from Dominion's participation in the Regional Greenhouse Gas Initiative ("RGGI")<sup>165</sup> be used to lessen the cost of the CVOW Project – which would relieve some of the financial burden currently destined to be placed on customers. Such action may be appropriate given the public policy support for and economic development aspects of this Project.

More specifically, the statute clearly establishes that this Project represents the will of the General Assembly. Almost four years ago, this Commission approved Dominion's Coastal Virginia Offshore Wind demonstration project, which consists of two 6 MW wind turbine generators located approximately 24 nautical miles off the coast of Virginia Beach.<sup>166</sup> In approving that project, which was estimated to cost approximately \$300 million (excluding financing costs), the Commission – noting the high cost per MWh<sup>167</sup> and the risk being placed on ratepayers<sup>168</sup> – expressly found that such approval did not foreclose rejection of future projects (such as the instant one) if the Commission found the project to be imprudent.<sup>169</sup> Thus, it is instructive that in subsequently enacting legislation for this Project,<sup>170</sup> the General Assembly expressly set forth particular circumstances under which costs for such project must be presumed to be reasonable and prudent.<sup>171</sup> As noted above, all of the parties in this case agree that those circumstances have been met, and consistent with the requirements of the new statute the Commission has approved the costs requested at this time for Rider OSW.

<sup>158</sup> The Company admits that spending on CVOW is not "a 'blank check' to incur costs which may not be reasonable or prudent. If, for example, the Company decided to 'gold plate' the wind turbine blades contrary to earlier plans, or if it bought the proverbial \$500 hammer for the Project, the Commission Staff would have the ability to audit those costs as always, and the Commission would retain the authority to determine if such costs were in fact reasonably and prudently incurred." Dominion's Post-Hearing Brief at 41-42.

<sup>159</sup> See, e.g., Clean Virginia's Post-Hearing Brief at 2, 6-10; Appalachian Voices' Post-Hearing Brief at 2, 17-22; Walmart's Post-Hearing Brief at 1, 3-17; and Consumer Counsel's Post-Hearing Brief at 1-5.

<sup>160</sup> While the CVOW Project already is one of the most expensive sources of power per MWh in Virginia and the country, the price per MWh escalates if the amount of energy the facility actually produces is less than projected for any reason. See, e.g., May 17 Tr. 78, 144-145, 268; Clean Virginia's Post-Hearing Brief at 2-3; Walmart's Post-Hearing Brief at 11, 20. Likewise, should the facility produce more energy than anticipated, the cost per MWh would decrease. See May 17 Tr. at 268.

<sup>161</sup> In 2019, Dominion projected the cost for CVOW to be \$7.8 billion; by the time this case was filed in 2022, that cost had grown to \$9.8 billion. Ex. 4 (Mitchell Direct) at 6-7; Ex. 33 (Norwood Direct) at 3; May 17 Tr. at 79.

<sup>162</sup> See May 18 Tr. 208-209.

<sup>163</sup> Ex. 40 (Kuleshova) at 35; May 17 Tr. 212-216, 247; Ex. 8; Clean Virginia's Post-Hearing Brief at 4.

<sup>164</sup> Dominion Witness Mitchell testified that the Company is projected to have spent approximately \$3.7 billion by the end of 2023. May 17 Tr. 171-174. Thus, even if Dominion were to abandon CVOW in the next year and a half, it will have spent substantial sums for which ratepayers will be responsible.

<sup>165</sup> Code § 10.1-1329 defines RGGI as "the program to implement the memorandum of understanding between signatory states dated December 20, 2005, and as may be amended, and the corresponding model rule that established a regional carbon dioxide electric power sector cap and trade program." RGGI defines itself as "a cooperative effort among eleven states – Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia – to reduce greenhouse gas emissions." See <https://www.rggi.org/rggi-inc/contact> Pursuant to Code § 10.1-1330 C, Virginia's proceeds from RGGI allowance auctions go to the Virginia Community Flood Preparedness Fund, the Department of Housing and Community Development, and are used to pay RGGI program-related administrative costs, for the purposes and as specified in that Code section. Using some or all of the proceeds from RGGI auctions to offset the costs of the CVOW Project would provide a direct benefit to many of the Virginia residents who fund those proceeds through their Dominion Energy bills.

<sup>166</sup> *Petition of Virginia Electric and Power Company, For a prudency determination with respect to the Coastal Virginia Offshore Wind Project pursuant to Virginia Code § 56-585.1:4 F*, Case No. PUR-2018-00121, 2018 S.C.C. Ann. Rept. 491, Final Order (Nov. 2, 2018) ("2018 CVOW Demonstration Order").

<sup>167</sup> In the 2018 CVOW Demonstration Order, the Commission noted the forecasted levelized cost of energy from the CVOW demonstration was 78 cents/kWh. 2018 CVOW Demonstration Order, 2018 S.C.C. Ann. Rept. at 494 (citing Ex. 16 (Norwood) at 11). This equates to \$780/MWh.

<sup>168</sup> *Id.* at 497.

<sup>169</sup> *Id.* at 498 ("Nor do we rule herein as a matter of law that there can never be a set of facts regarding prudency that could overcome the multiple mandated public interest findings in the statutes.")

<sup>170</sup> 2020 Va. Acts chs. 1193, 1194, 1240, 1273 and 1279 (effective July 1, 2020).

<sup>171</sup> Code § 56-585.1:11 C sets forth criteria by which the Commission is to find, reasonable and prudent, the requested cost recovery for "one or more new utility-owned and utility-operated generating facilities utilizing energy derived from offshore wind and located off the Commonwealth's Atlantic shoreline, with an aggregate rated capacity of not less than 2,500 megawatts and not more than 3,000 megawatts, along with electrical transmission or distribution facilities associated therewith for interconnection."

Specifically, the Commission has herein approved a first-year revenue requirement of \$78.702 million for Rider OSW (which, as noted in the Final Order, recovers financing costs on \$661.7 million in capital expenditures during the rate year and an allowance for funds used during construction). This result is dictated by statute. That is, based on the currently estimated total Project capital cost of \$9.8 billion, which increases to \$21.5 billion when estimated operation and maintenance, retirement, and financing costs are included, the statute deems the specific costs approved herein for Rider OSW as reasonably and prudently incurred. Nonetheless, as discussed in the Final Order (and as strenuously asserted by Consumer Counsel, Clean Virginia, Walmart, and Appalachian Voices), there are numerous risks attendant to this Project. While everyone in this case, as well as the Commission, desires the Project to come online on-time and on-budget, these parties also stressed some distinct possibilities stemming from those risks, including significant cost overruns or abandonment.

These possibilities provide the support for including consumer protections in the Final Order, which protect ratepayers from replacement power costs if the Project doesn't produce the quantity of power upon which the Company bases its analysis. Yet, as also noted in the Final Order, these consumer protections do not protect consumers from the current statutory scheme that places all of the Project's costs on Dominion's customers, including the risk of potential cost overruns. The General Assembly, however, has enacted a cost recovery mechanism through Code §§ 56-585.1 A 6 and 56-585.1:11 that provides for yearly cost recovery proceedings with the statutorily required analysis, providing, in theory, the opportunity in upcoming Sessions to determine if additional steps are warranted to reduce the economic burden that will be placed on Dominion's customers as the Project proceeds.

The record in this case, including public comments from government and industry representatives, is replete with the potential economic development opportunities represented by this Project.<sup>172</sup> As noted above, the full capital costs of the Project have not been included in Rider OSW at this time. Rather, Dominion will file annual cases to include additional costs of this Project as it continues to be developed. The General Assembly, as a result, has the opportunity for additional legislative action to identify or require additional funding sources and mechanisms such that the entire burden for a project of this magnitude – which is buttressed by its concomitant economic development benefits – does not fall on customers. That said, timing may be of the essence. The Final Order, *e.g.*, notes that in less than 18 months from now, Dominion plans to have spent close to \$4 billion of capital costs on the Project.<sup>173</sup>

<sup>172</sup> See, *e.g.*, May 16 Tr. at 18-20 (comments read into the record from Mayor of Virginia Beach); May 16 Tr. at 22-27 (comments by CEO for Hampton Roads Alliance); May 16 Tr. at 29-30 (comments by representative of Virginia State Building and Construction Trades Council); May 16 Tr. at 33-37 (comments from advisory board member from Conservatives for Clean Energy); May 16 Tr. at 39-40 (comments from representative of Strongwell, a Bristol, Virginia based manufacturing company); May 16 Tr. at 42-44 (comments from representative of Electromechanical, a manufacturer of electrical apparatus); May 17 Tr. at 21-22 (comments from CEO and President of the Virginia Hispanic Chamber of Commerce).

<sup>173</sup> See also n.164, *supra*.

## CASE NO. PUR-2021-00142 AUGUST 24, 2022

### APPLICATION OF VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 *et seq.*, and § 56-585.1 A 6 of the Code of Virginia

### ORDER GRANTING RECONSIDERATION

On August 5, 2022, the State Corporation Commission ("Commission") issued a Final Order in this docket. On August 22, 2022, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed a Petition for Limited Reconsideration ("Petition"). Dominion "requests that the Commission grant reconsideration of the Final Order and amend it to exclude its performance guarantee condition, as required by [Code § 56-585.1:11] and other authority, and for all the reasons set forth herein."<sup>1</sup>

In addition, Dominion states that: "[T]he Company is requesting modification of the Commission's Final Order to allow consideration of the limited issues raised in this Petition. In doing so, the Company respectfully asks that the Commission *not* suspend the Final Order, including its approval of Rider OSW, which is in the process of being implemented and is set to go into effect on September 1, 2022, subject to true-up."<sup>2</sup>

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter. The Final Order is hereby suspended pending the Commission's reconsideration of the Final Order, and Rider OSW is approved on an interim basis at this time.<sup>3</sup> Finally, the Commission orders additional pleadings to be filed herein as directed below.<sup>4</sup>

<sup>1</sup> Petition at 26.

<sup>2</sup> *Id.* at 2 n.7 (emphasis in original).

<sup>3</sup> See, *e.g.*, *Super Fresh Food Markets of Virginia, Inc. v. Ruffin*, 263 Va. 555, 563 (2002) ("[W]e hold that the language of the [trial court's] order purporting to extend the period of the trial court's jurisdiction beyond the post-judgment twenty-one day time period of Rule 1:1 was ineffective because that order did not modify, vacate, or suspend the final judgment rendered by the [trial court's] order.").

<sup>4</sup> In addition to addressing the other issues raised in the Petition, the parties' pleadings shall also address the extent to which the presumption in Code § 56-585.1:11 C 1 ("provided that such costs shall be presumed to be reasonably and prudently incurred") may be rebutted.



Accordingly, IT IS ORDERED THAT:

- (1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter.
- (2) Pending the Commission's reconsideration, the Final Order is hereby suspended.
- (3) Dominion is hereby authorized to implement Rider OSW, as approved in the August 5, 2022 Final Order, on an interim basis pending further order of the Commission.
- (4) On or before September 13, 2022, each respondent in this proceeding that objects to the Petition in any regard shall file a response thereto.
- (5) On or before September 22, 2022, Dominion shall file a reply to the response(s).
- (6) In addition to addressing the other issues raised in the Petition, the parties' pleadings shall also address the extent to which the presumption in Code § 56-585.1:11 C 1 ("provided that such costs shall be presumed to be reasonably and prudently incurred") may be rebutted.
- (7) This matter is continued.

**CASE NO. PUR-2021-00142  
DECEMBER 15, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 *et seq.*, and § 56-585.1 A 6 of the Code of Virginia

**ORDER ON RECONSIDERATION**

On November 5, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed an application for approval and certification of the Coastal Virginia Offshore Wind Commercial Project ("Project") and for approval of a rate adjustment clause ("RAC"), designated Rider Offshore Wind ("Rider OSW"), pursuant to Code §§ 56-585.1:11; 56-46.1, 56-265.1 *et seq.*, and 56-585.1 A 6.

On August 5, 2022, the State Corporation Commission ("Commission") issued a Final Order in this docket.

On August 22, 2022, Dominion filed a Petition for Limited Reconsideration ("Petition for Reconsideration"). Dominion requested "that the Commission grant reconsideration of the Final Order and amend it to exclude its performance guarantee condition, as required by [Code § 56-585.1:11] and other authority, and for all the reasons set forth herein."<sup>1</sup>

In addition, Dominion stated as follows: "[T]he Company is requesting modification of the Commission's Final Order to allow consideration of the limited issues raised in this [Petition for Reconsideration]. In doing so, the Company respectfully asks that the Commission *not* suspend the Final Order, including its approval of Rider OSW, which is in the process of being implemented and is set to go into effect on September 1, 2022, subject to true-up."<sup>2</sup>

On August 24, 2022, the Commission issued an Order Granting Reconsideration that: (1) granted reconsideration for the purpose of continuing jurisdiction over this matter; (2) suspended the Final Order pending the Commission's reconsideration; (3) authorized Dominion to implement Rider OSW, as approved in the Final Order, on an interim basis pending further order of the Commission; and (4) directed the respondents in this case that objected to the Petition for Reconsideration to file responses and Dominion to file a reply.<sup>3</sup>

On August 25, 2022, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a Petition for Clarification or Reconsideration ("Petition for Clarification"). Consumer Counsel sought clarification or reconsideration that the performance standard required in the Final Order shall begin with the Project's currently expected (as opposed to actual) in-service date.<sup>4</sup>

As ordered, responses to Dominion's Petition for Reconsideration were filed by respondents Consumer Counsel, Walmart Inc. ("Walmart"), Sierra Club, Clean Virginia, Appalachian Voices, and the Virginia Committee for Fair Utility Rates ("Committee"); and Dominion filed a reply.

<sup>1</sup> Petition for Reconsideration at 26.

<sup>2</sup> *Id.* at 2 n.7 (emphasis in original).

<sup>3</sup> On September 13, 2022, in response to an unopposed motion, the Commission extended the due dates for the responses and reply.

<sup>4</sup> Petition for Clarification at 5-6.

On October 28, 2022, the following parties filed – and were signatories to – a Motion to Receive and Consider Second Proposed Stipulation and Recommendation, and for Expedited Consideration ("Motion") and a Second Proposed Stipulation and Recommendation ("Second Stipulation"): Dominion; Consumer Counsel; Walmart; Appalachian Voices; and Sierra Club. The Motion and Second Stipulation were presented by these parties "as a reasonable resolution" of the issues raised in the Petition for Reconsideration and Petition for Clarification regarding the performance standard included in the Final Order.<sup>5</sup>

On November 4, 2022, the Commission issued an Order Scheduling Oral Argument, which scheduled oral argument on the Second Stipulation.

On November 21, 2022, the Commission held oral argument in which the following participated: Dominion; Consumer Counsel; Walmart; Appalachian Voices; Sierra Club; Clean Virginia; the Committee; and Commission Staff.<sup>6</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.<sup>7</sup>

#### The Project

The Project encompasses offshore wind generation facilities consisting of 176 wind turbine generators that are each 14.7 megawatts ("MW") of capacity, which will be located 24 nautical miles off the Commonwealth's eastern shore in a federal lease area.<sup>8</sup> With a combined nominal capacity of 2,587 MW (alternating current), the Project is a first of its kind project in North America, and the Company's current schedule contemplates the Project being fully in service by the end of 2026 or early 2027.<sup>9</sup>

Dominion estimates the total capital cost of the Project to be approximately \$9.8 billion (including approximately \$1.15 billion for interconnection and transmission facilities).<sup>10</sup> Total Project costs, including financing costs, less investment tax credits, are estimated to be approximately \$21.5 billion.<sup>11</sup>

#### The Final Order

The Final Order approved recovery from customers, through Rider OSW, of \$78.702 million of costs associated with the Project.<sup>12</sup> Pursuant to statute, the Final Order did not approve the Project as a whole nor any cost recovery beyond \$78.702 million, stating:

In this manner, the statute does not direct the Commission to approve the Project or its costs as a unified whole but, rather, Code § 56-585.1:11 C 1 directs that in "any request for cost recovery ... for costs associated with such a facility, the Commission shall determine the reasonableness and prudence of any such costs...." As a result, every time Dominion requests additional costs to be included in Rider OSW (for recovery from customers under Code § 56-585.1 A 6), the statute mandates that the Commission determine the reasonableness and prudence of such costs.<sup>13</sup>

The Final Order also approved certain interconnection and transmission facilities required to interconnect the Project with the existing transmission system.<sup>14</sup>

In addition, the Final Order required certain consumer protections, including a "performance standard" set forth on pages 15-16 thereof. As discussed in the Final Order, the performance standard was requested by Consumer Counsel and strongly supported by Walmart, Clean Virginia, Appalachian Voices, and the Virginia Department of Energy.<sup>15</sup> The performance standard is the subject of both Dominion's Petition for Reconsideration and Consumer Counsel's Petition for Clarification.

<sup>5</sup> Ex. 67 (Motion) at 2. Clean Virginia did not oppose the Motion and Second Stipulation. Ex. 67 (Motion) at 1 n.2; Ex. 67 (Second Stipulation) at 1 n.1. Exhibit 67 is attached to this Order on Reconsideration as "Attachment A" for ease of reference.

<sup>6</sup> The Commission granted the Nansemond Indian Nation's request to be excused from the oral argument.

<sup>7</sup> Pursuant to Commission Rules of Practice and Procedure 5 VAC 5-20-110 and -220, and the Order Granting Reconsideration, the specific pleadings referenced above are the only additional filings considered by the Commission on reconsideration.

<sup>8</sup> Final Order at 2, 4-5.

<sup>9</sup> *Id.* at 5; November 21, 2022 ("Nov. 21") Tr. at 82.

<sup>10</sup> Final Order at 5.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 11-12.

<sup>13</sup> *Id.* at 13.

<sup>14</sup> *Id.* at 24-39.

<sup>15</sup> *Id.* at 16. Although the Virginia Department of Energy is not a party to this proceeding, the Final Order noted that it filed comments supporting a performance standard. *Id.* at 16 n.65.

### Limited Reconsideration

#### *Second Stipulation*

The Second Stipulation is proposed as a "replacement of the 'performance standard' set forth on pages 15-16 of the Commission's Final Order."<sup>16</sup> Specifically, the Second Stipulation asks the Commission to replace the performance standard with five enumerated requirements, which address the following: (1) construction cost sharing; (2) operating performance provisions; (3) Inflation Reduction Act; (4) scope of agreement; and (5) no precedential effect.<sup>17</sup>

Consumer Counsel, Walmart, Appalachian Voices, Sierra Club, Clean Virginia, and the Committee all represent, among other things, the interests of consumers in this proceeding.<sup>18</sup> Consumer Counsel, Walmart, Appalachian Voices, and Sierra Club are signatories to the Second Stipulation and urge the Commission to approve it in lieu of the previously requested performance standard adopted by the Commission. These parties further assert, unanimously in support thereof, that the Second Stipulation adequately protects the interests of consumers.<sup>19</sup> In addition, Clean Virginia and the Committee, though not formal parties to the Second Stipulation, confirm that they have no opposition to the Commission's approval thereof.<sup>20</sup>

Upon consideration hereof, the Commission finds that the performance standard ordered on pages 15-16 of the Final Order is stricken and replaced with the Second Stipulation.

#### *Approval and Cost Recovery*

In ordering the Second Stipulation, the Commission has not otherwise expanded or modified the specific approval or cost recovery set forth in the Final Order. As quoted above, the Final Order did not approve the Project as a whole nor any cost recovery beyond \$78.702 million. Furthermore, as held in the Final Order, when Dominion requests additional costs to be included in Rider OSW, the statute further mandates that the Commission determine the reasonableness and prudence of such costs.<sup>21</sup> Approval of the Second Stipulation does not modify these findings. Indeed, during oral argument on reconsideration, Dominion (on behalf of the stipulating parties) confirmed that the Second Stipulation only modifies the performance standard contained on pages 15-16 of the Final Order.<sup>22</sup>

#### *Code § 56-585.1:11*

In ordering the Second Stipulation, the Commission also has not found that the performance standard stricken from the Final Order is prohibited by statute or otherwise unlawful. Similarly, the Commission has not found that the presumption of reasonably and prudently incurred costs in Code § 56-585.1:11 C 1 is incapable of being rebutted as a matter of law.

#### *Bill Impacts*

The Final Order recognized the significant impact that this Project will have on customers' electric bills.<sup>23</sup> The Project likely represents the largest capital investment, and single largest project, in the history of the Company.<sup>24</sup> Indeed, this *single* generation project will increase the Company's total estimated rate base by approximately 50%<sup>25</sup> and more than *double* the Company's entire investment in generation rate base.<sup>26</sup> Furthermore, the magnitude of

<sup>16</sup> Ex. 67 (Second Stipulation) at 1.

<sup>17</sup> *Id.* at 1-3. Dominion confirmed during oral argument on reconsideration that the construction costs for which the Company has agreed to share responsibility pursuant to the Second Stipulation include any and all carrying costs associated therewith. Nov. 21 Tr. at 15. These carrying costs are not set forth explicitly in the Second Stipulation. As counsel for Dominion explained when discussing cost sharing in the Second Stipulation, "[t]hese costs are before carrying costs. But it would include the carrying costs and the cost sharing would include the carrying costs on those as well." *Id.*

<sup>18</sup> *See, e.g.*, Nov. 21 Tr. at 67-68, 39, 44-45, 61-62, 52-53, and 64, respectively.

<sup>19</sup> *See, e.g., id.* at 72 and 94, 41, 49, and 63, respectively.

<sup>20</sup> *See, e.g., id.* at 54, 67, respectively.

<sup>21</sup> *See, e.g.*, Final Order at 13.

<sup>22</sup> Nov. 21 Tr. at 13, 34.

<sup>23</sup> *See, e.g.*, Final Order at 18-23. The Final Order also ordered Dominion to provide projected bill impacts in future Rider OSW petitions. *Id.* at 23 n.93. At the November 21, 2022 hearing, Dominion recognized that while the bill impact schedule filed in its most recent Rider OSW filing reflected all of the Project's costs and benefits that flow statutorily through Rider OSW, "it certainly impacts these other cost recovery mechanisms." Nov. 21 Tr. at 88. As explained on pages 20-23 of the Final Order, certain benefits to Rider OSW will be funded through charges that will be inputs to other rate mechanisms (base rates and RACs). Further, when the Project operates, the fuel factor will be higher because the Project's energy benefits will be a reduction to Rider OSW, rather than to the fuel factor.

<sup>24</sup> Final Order at 6.

<sup>25</sup> As counsel for Dominion explained, the total rate base of the Company on a jurisdictional basis, which would include base rate generation, base rate distribution, RACs, and transmission, is close to \$18 billion. *See* Nov. 21 Tr. at 88-89.

<sup>26</sup> *See, e.g.*, Ex. 2 (Application) at 18; *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUR-2021-00058, Application at Schedule 19 (filed Mar. 31, 2021) (representing total jurisdictional generation rate base to be approximately \$6.1 billion as of Dec. 31, 2020); Nov. 21 Tr. at 88.

this Project is so great that it will likely be the costliest project being undertaken by any regulated utility in the United States.<sup>27</sup> And the electricity produced by this Project will be among the most expensive sources of power – on both a per kilowatt of firm capacity and a per megawatt-hour basis – in the entire United States.<sup>28</sup>

The Project will also require the construction of significant transmission and interconnection upgrades. The Final Order, however, explained that the ultimate costs therefor remain unknown because ongoing study work regarding network upgrades in the PJM Interconnection, L.L.C. ("PJM") generation queue was placed on hold to resolve PJM's current backlog.<sup>29</sup> Moreover, the record also identifies significant risks regarding the ability to have all necessary network upgrades constructed and in operation in time to meet the Project's projected in-service date of late 2026 or early 2027.<sup>30</sup>

In addition, if the Project never becomes operational or is at some point abandoned (*e.g.*, due to cost, construction, or operational issues that make it imprudent or impracticable to proceed), the Company has described how customers would still pay for costs incurred up to the point of abandonment.<sup>31</sup> For example, even if the Project is abandoned at the end of 2023, Dominion still estimates it would have incurred close to \$4 billion of costs to be recovered from customers.<sup>32</sup>

In sum, the Commission – and the parties to this case – remain quite aware that approval of the Second Stipulation does not change the above reality, and, as noted above, all parties at the hearing either assert that the Second Stipulation adequately protects the interests of consumers or have no opposition to the Commission's approval thereof.

Accordingly, IT IS SO ORDERED, the Final Order is no longer suspended, and this case is DISMISSED.

JAGDMANN, Commissioner, concurs:

I agree in all respects with the above Order on Reconsideration. I write separately to emphasize that the General Assembly is uniquely positioned to align some of the costs of this Project (that currently will be paid solely by most of Dominion's customers), with the required consideration of the economic development benefits and clean energy attributes of this Project that advantage the Commonwealth more broadly.

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<sup>27</sup> Final Order at 6 (with the exception of Southern Company's ongoing Vogtle nuclear project).

<sup>28</sup> *Id.* at 6, 41 n.160 (Concurrence of Commissioner Jagdmann).

<sup>29</sup> *Id.* at 7-8.

<sup>30</sup> *See, e.g.*, Ex. 45 (Joshiyura) at 7-8; Nov. 21 Tr. at 26-27.

<sup>31</sup> *See, e.g.*, Final Order at 18; Nov. 21 Tr. at 32-33.

<sup>32</sup> Final Order at 18.

As I noted in my previous concurrence, this is a legislatively favored Project. The General Assembly has expressed through statute that "[i]n order to meet the Commonwealth's clean energy goals, prior to December 31, 2034, the construction or purchase by a public utility of one or more offshore wind generation facilities located off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth, . . . is in the public interest and the Commission shall so find[.]"<sup>33</sup> The operative statute requires consideration that offshore wind will help meet the Commonwealth's clean energy goals.<sup>34</sup> In addition, economic development benefits to the Commonwealth play a strong role in the authorizing statute, which includes references to capital investments and job creation, and opportunities to advance the Commonwealth's workforce.<sup>35</sup> Further, the General Assembly has created the Division of Offshore Wind, which, among other things, is charged with "[i]dentifying specific measures that will facilitate the establishment of the Hampton Roads region as a wind industry hub for offshore wind generation projects in state and federal waters off the United States coast;"<sup>36</sup> and "...development of programs that prepare the Commonwealth's workforce to work in the offshore wind industry, create employment opportunities for Virginians within such industry, create opportunities for Commonwealth-based businesses to participate in the offshore wind industry supply chain, and attract out-of-state offshore wind-related businesses to locate within the Commonwealth[.]"<sup>37</sup>

Virginia law thus declares that offshore wind is in the public interest and requires consideration of advantages that benefit all Virginians. The General Assembly is uniquely positioned to align general fund appropriations or other funding for this Project.<sup>38</sup> Such public policy determinations by our legislators would help spread the substantial costs of this Project, which currently fall squarely on most of Dominion's customers, among all in the Commonwealth who stand to benefit from the clean energy and economic expansion benefits associated with this Project that the Commission is required by statute to consider.

<sup>33</sup> Code § 56-585.1: 11 B. Code §§ 56-585.1 and 56-585.1:4 also declare certain offshore wind projects to be in the public interest.

<sup>34</sup> Code § 56-585.1:11 C states, in part: "In its review, the Commission shall give due consideration to (a) *the Commonwealth's* renewable portfolio standards and carbon reduction requirements, (b) the promotion of new renewable generation resources[.]" (emphases added).

<sup>35</sup> Code § 56-585.1:11 C states, in part: "In its review, the Commission shall give due consideration to ... (c) the economic development benefits of the project *for the Commonwealth*, including capital investments and job creation." (emphasis added).

See also Code § 56-585.1:11 D:

In constructing any such facility contemplated in subsection B, the utility shall develop and submit a plan to the Commission for review that includes the following considerations: (i) options for utilizing local workers; (ii) the economic development benefits of the project *for the Commonwealth*, including capital investments and job creation; (iii) consultation with the Commonwealth's Chief Workforce Development Officer, the Chief Diversity, Equity, and Inclusion Officer, and the Virginia Economic Development Partnership on opportunities to advance *the Commonwealth's* workforce and economic development goals, including furtherance of apprenticeship and other workforce training programs; (iv) giving priority to the hiring, apprenticeship, and training of veterans, as that term is defined in § 2.2-2000.1, local workers, and workers from historically economically disadvantaged communities; and (v) procurement of equipment from Virginia-based or United States-based manufacturers using materials or product components made in Virginia or the United States, if reasonably available and competitively priced. (emphases added).

<sup>36</sup> Code § 45.2-1802 B 1.

<sup>37</sup> Code § 45.1-1802 B 2.

<sup>38</sup> See, e.g., Final Order at 41-42 (Concurrence of Commissioner Jagdmann).

## CASE NO. PUR-2021-00146 MARCH 15, 2022

### PETITION OF VIRGINIA ELECTRIC AND POWER COMPANY

For approval of the RPS Development Plan, approval and certification of the proposed CE-2 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, revision of rate adjustment clause, designated Rider CE, under § 56-585.1 A 6 of the Code of Virginia, and a prudence determination to enter into power purchase agreements pursuant to § 56-585.1:4 of the Code of Virginia

### FINAL ORDER

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA"), became effective on July 1, 2020. The VCEA, *inter alia*, establishes a mandatory renewable energy portfolio standard ("RPS") for Virginia Electric and Power Company ("Dominion" or "Company") in new § 56-585.5 of the Code of Virginia ("Code"). Subdivision D 4 of Code § 56-585.5 requires Dominion to submit annually to the State Corporation Commission ("Commission") plans and petitions for approval of new solar and onshore wind generation capacity ("RPS Filing"). The Commission must determine whether the RPS Filing is reasonable and prudent, giving due consideration to the following factors: (i) the RPS and carbon dioxide reduction requirements in Code § 56-585.5, (ii) the promotion of new renewable generation and energy storage resources within the Commonwealth, and associated economic development, and (iii) fuel savings projected to be achieved by the plan.<sup>1</sup> The Commission's final order regarding any RPS Filing is required by Code § 56-585.5 D 4 to be entered by the Commission not more than six months after the date of such filing.

<sup>1</sup> Code § 56-585.5 D 4.

On September 15, 2021, Dominion submitted its annual RPS Filing to the Commission ("2021 RPS Filing" or "Petition"). The 2021 RPS Filing requests the Commission:

- (i) Approve the Company's annual plan for the development of new solar, onshore wind, and energy storage resources ("RPS Development Plan") in connection with the new mandatory RPS program ("RPS Program") pursuant to Code § 56-585.5 D 4;
- (ii) Grant certificates of public convenience and necessity ("CPCNs") and approval to construct and operate 13 utility-scale projects totaling approximately 661 megawatts ("MW") of solar and 70 MW of energy storage ("CE-2 Projects") pursuant to Code § 56-580 D and the Commission's Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility;<sup>2</sup>
- (iii) Approve for recovery through the Rider CE rate adjustment clause ("RAC") the costs of (a) the CE-2 Projects and related distribution and transmission interconnection facilities and (b) two small-scale solar projects totaling approximately 4 MW and related interconnection facilities ("CE-2 Distributed Solar Projects") pursuant to Code § 56-585.1 A 6 ("Subsection A 6") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities;<sup>3</sup>
- (iv) Approve an update to Rider CE for recovery of costs associated with the CE-1 Solar Projects and related interconnection facilities as approved by the Commission in Case No. PUR-2020-00134;<sup>4</sup> and
- (v) Make a prudence determination for the Company to enter into 24 power purchase agreements ("PPAs") for 32 separate solar and energy storage resources totaling approximately 253 MW of solar and 33 MW of energy storage ("CE-2 PPAs") pursuant to Code § 56-585.1:4.<sup>5</sup>

Dominion later revised its request for a PPA prudence determination, seeking instead to enter into 20 PPAs from 24 separate solar and energy storage resources, totaling 196 MW of solar and 33 MW of storage.<sup>6</sup>

On October 6, 2021, the Commission issued an Order for Notice and Hearing ("Procedural Order"), which established a procedural schedule; directed Dominion to provide public notice of its 2021 RPS Filing; scheduled public witness and evidentiary hearings for the purpose of receiving testimony from public witnesses and evidence on the 2021 RPS Filing; provided interested persons an opportunity to file written comments on the Petition or participate as respondents in this proceeding; and directed the Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon.

Notices of participation were filed by Appalachian Power Company ("APCo"); Appalachian Voices; Direct Energy Business, LLC, and Direct Energy Services, LLC (collectively, "Direct Energy"); Solar Energy Industries Association and Chesapeake Solar and Storage Association (collectively, "SEIA-CHESSA"); the Virginia Committee for Fair Utility Rates ("Committee"); Walmart Inc. ("Walmart"); and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel").

Appalachian Voices, SEIA-CHESSA, and Staff filed testimony on November 16, 2021.<sup>7</sup> Dominion filed rebuttal testimony on December 3, 2021. The Commission received one written public comment regarding the Petition from the Virginia Department of Energy.

In the Procedural Order, the Commission noted that Staff had requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the proposed CE-2 Projects. The DEQ filed a report ("DEQ Report") on November 17, 2021.<sup>8</sup> The DEQ Report summarized the proposed CE-2 Projects' potential environmental impacts, made recommendations for minimizing those impacts, and outlined the Company's responsibilities for compliance with certain legal requirements governing environmental protection.

<sup>2</sup> 20 VAC 5-302-10 *et seq.*

<sup>3</sup> 20 VAC 5-204-5 *et seq.*

<sup>4</sup> On April 30, 2021, the Commission approved Dominion's construction and operation of the CE-1 Solar Projects, and also approved a rate adjustment clause, designated Rider CE, for the Company to recover the costs associated with the construction of the CE-1 Solar Projects. *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order (Apr. 30, 2021) ("2020 RPS Final Order").

<sup>5</sup> Ex. 2 (Petition) at 1-2.

<sup>6</sup> See Ex. 47 (McMillian Rebuttal) at 2-3.

<sup>7</sup> Walmart filed a letter in lieu of prefiled testimony on November 16, 2021.

<sup>8</sup> On November 30, 2021, the Commission also received a Memorandum from Virginia DEQ's Water Quality Office. Ex. 9 (DEQ Report).

Due to the ongoing public health concerns related to the spread of the virus that causes COVID-19, a telephonic hearing was scheduled for December 13, 2021, to receive the testimony of any public witnesses that desired to provide comments on the Company's Petition. No public witnesses signed up to testify.<sup>9</sup> The Commission did, however, receive opening statements from counsel and entered uncontested exhibits into the record at that time.<sup>10</sup> A public evidentiary hearing was convened remotely, with no party present in the Commission's courtroom, on December 14-16, 2021, to receive testimony and evidence offered by Dominion, respondents, and Staff on the Petition.<sup>11</sup>

At the conclusion of the evidentiary hearing, the Commission directed participants to file post-hearing briefs on or before January 19, 2022.<sup>12</sup> In response to the Commission's directive, post-hearing briefs were filed by Dominion, Appalachian Voices, SEIA-CHESSA, Consumer Counsel, Walmart, and Staff.<sup>13</sup>

On January 19, 2022, Dominion, Staff, Appalachian Voices, Direct Energy, SEIA-CHESSA, and Walmart (collectively, "Stipulating Participants") filed a Proposed Partial Stipulation and Recommendation ("Partial Stipulation"). In the Partial Stipulation, the Stipulating Participants agreed, among other things, that Dominion would model two additional alternative plans that adhere to the assumptions and constraints listed in the Partial Stipulation and that Dominion would include the results of such modeling in its next RPS Filing.<sup>14</sup>

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.<sup>15</sup>

Through this Order, among other things, the Commission approves the CE-2 Projects and the CE-2 PPAs, which combined represent approximately 857 MW of new solar generation capacity and 103 MW of energy storage capacity.<sup>16</sup>

The discussion below sets forth detailed analyses and findings on numerous contested issues raised in this proceeding. As always, the Commission is guided by the statutes and the record. In doing so, we have exercised the Commission's delegated discretion in a manner that faithfully implements the VCEA requirements that include carbon reduction, while best protecting consumers who expect and deserve reliable and affordable service.

For purposes of this Final Order, the Commission will address the four main components of the Company's Petition: (i) the RPS Development Plan; (ii) the CE-2 Projects; (iii) Rider CE; and (iv) the CE-2 PPAs.<sup>17</sup>

(i) RPS Development Plan

*Code of Virginia*

Code § 56-585.5 D 4 provides:

In connection with the requirements of this subsection, each Phase I and Phase II Utility shall, commencing in 2020 and concluding in 2035, submit annually a plan and petition for approval for the development of new solar and onshore wind generation capacity. Such plan shall reflect, in the aggregate and over its duration, the requirements of subsection D concerning the allocation percentages for construction or purchase of such capacity. Such petition shall contain any request for approval to construct such facilities pursuant to subsection D of § 56-580 and a request for approval or update of a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 to recover the costs of such facilities. Such plan shall also include the utility's plan to meet the energy storage project targets of subsection E, including the goal of installing at least 10 percent of such energy storage

<sup>9</sup> Tr. 5.

<sup>10</sup> Tr. 8-56.

<sup>11</sup> All parties and Staff participated at the hearing, except for APCo, Direct Energy, and the Committee. The Commission took several objections under advisement during the evidentiary hearing. *See, e.g.*, Tr. 127, 298, 596, 680, 802-803. After further consideration, the objections are overruled and all testimony and exhibits will be included as part of the record, to which the Commission will give the weight it finds appropriate.

<sup>12</sup> *See* Tr. 806-807.

<sup>13</sup> Direct Energy filed a letter in lieu of a post-hearing brief. On January 20, 2022, Walmart filed a motion for leave to late file the extraordinarily sensitive version of its post-hearing brief ("Motion for Leave"), stating that it timely filed the public version of the brief through the Commission's e-Filing system, but that the mail delivery service Walmart used to send the extraordinarily sensitive version was unable to timely deliver it to the Commission due to inclement weather. *See* Motion for Leave at 1-2. Walmart indicates that the extraordinarily sensitive version of its post-hearing brief was delivered to the Commission on January 20, 2022. *Id.* at 2. Walmart further asserts that no party opposes the relief Walmart requests in its Motion for Leave. *Id.* The Commission finds that good cause has been shown to accept Walmart's extraordinarily sensitive filings out of time. Thus, Walmart's Motion for Leave is granted.

<sup>14</sup> Partial Stipulation at 1-3.

<sup>15</sup> The Commission has fully considered the evidence and arguments in the record. *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

<sup>16</sup> *See, e.g.*, Ex. 2 (Petition) at 1-2; Ex. 47 (McMillian Rebuttal) at 2-3. In addition, the Commission approves cost recovery of the CE-2 Distributed Solar Projects, which equal approximately 4 MW, as is discussed further below.

<sup>17</sup> With respect to issues raised by participants not expressly addressed by the Commission herein, the Commission finds that resolution of such issues is not necessary to the Commission's decision in this proceeding, and the Commission hereby exercises its discretion not to address such for purposes of the instant order.

projects behind the meter. In determining whether to approve the utility's plan and any associated petition requests, the Commission shall determine whether they are reasonable and prudent and shall give due consideration to (i) the RPS and carbon dioxide reduction requirements in this section, (ii) the promotion of new renewable generation and energy storage resources within the Commonwealth, and associated economic development, and (iii) fuel savings projected to be achieved by the plan. Notwithstanding any other provision of this title, the Commission's final order regarding any such petition and associated requests shall be entered by the Commission not more than six months after the date of the filing of such petition.

Participants raised several concerns with the Company's RPS Development Plan.<sup>18</sup> Notwithstanding, the Commission finds that, for the limited purpose of filing its second annual plan under Code § 56-585.5 D 4, Dominion's plan is reasonable and prudent. Subsequent annual plans, however, must continue to comply with the Commission's directives, as set forth in Dominion's 2020 RPS Final Order, and the additional requirements set forth herein.

### Modeling

#### *Least Cost Plan*

In this case, Dominion prepared Alternative Plan A as a least-cost plan "for cost comparison purposes only in compliance with [the 2020 RPS Final Order]."<sup>19</sup> We continue to consider a least cost plan a valuable data point and an important benchmark against which to compare other plans. We further share concerns raised by participants with regard to certain assumptions and inputs in Alternative Plan A. We therefore direct Dominion to continue to include a least cost VCEA plan in future RPS Filings that meets (i) applicable carbon regulations and (ii) the mandatory RPS Program requirements of the VCEA. However, we also direct that any least cost plan Dominion submits:<sup>20</sup>

- include only reasonable inputs and assumptions;<sup>21</sup>
- evaluate renewable energy certificates ("RECs") from all sources (with both high and low-price sensitivities), including utility-owned, third-party PPAs, and unbundled REC purchases;<sup>22</sup> and
- contain a sensitivity that optimizes RECs, including but not limited to the optimization of RECs through REC banking. If the Company is unable to run this sensitivity through PLEXOS,<sup>23</sup> the Company shall estimate the impact of banking outside of PLEXOS to the best of its ability.<sup>24</sup>

Should the least cost plan as described above raise concerns regarding the reliability of service, the Company shall also file an alternative least cost plan that addresses those reliability concerns. Additionally, the Company shall provide an assessment regarding the impacts of every modeled plan on the reliability of the Company's service and identify any reliability concerns.

#### *Additional Modeling Requirements*

The Company and Staff agreed to certain additional modeling assumptions in this case not addressed in the Partial Stipulation.<sup>25</sup> Consistent with this agreement, the Commission further finds, in addition to the requirements set forth in the 2020 RPS Final Order and those above, that in future RPS plans Dominion shall:

- incorporate the most recently available PJM Interconnection, L.L.C. ("PJM") Effective Load Carrying Capability, or ELCC, guidance;<sup>26</sup> and
- incorporate all Schedule 19 PPAs in which the Company has entered into long-term REC contracts.<sup>27</sup>

<sup>18</sup> See, e.g., Environmental Respondent's Post-Hearing Brief at 4-15; Walmart's Post-Hearing Brief at 15-17; Consumer Counsel's Post-Hearing Brief at 3-6; Staff's Post-Hearing Brief at 30-38.

<sup>19</sup> Ex. 2 (Petition) at RPS Development Plan, p. 8.

<sup>20</sup> See *id.*

<sup>21</sup> See, e.g., Ex. 32 (Dalton Direct) at 18-20; Staff's Post-Hearing Brief at 30-34.

<sup>22</sup> The Commission included a similar requirement in the 2020 RPS Final Order; however, the directive included herein, unlike the directive in the prior case, refers specifically to the least cost plan. See 2020 RPS Final Order at 6.

<sup>23</sup> PLEXOS is the modeling software employed by the Company to model its future system needs.

<sup>24</sup> See, e.g., Ex. 32 (Dalton Direct) at 32-33; Tr. 435-436.

<sup>25</sup> See, e.g. Ex. 47 (McMillian Rebuttal) at 24; Dominion's Post-Hearing Brief at 48; Ex. 44 (Compton Rebuttal) at 6-7.

<sup>26</sup> See, e.g., Ex. 32 (Dalton Direct) at 26-27; Dominion's Post-Hearing Brief at 8-9.

<sup>27</sup> See, e.g., Ex. 32 (Dalton Direct) at 33-34; Ex. 47 (McMillan Rebuttal) at 24; Dominion's Post-Hearing Brief at 48; Tr. 429-430.



We further direct the Company to continue to use the PJM Dominion Zone load forecast, scaled to the Company's native load obligation, consistent with our directives in the 2020 RPS Final Order and the Commission's Final Order in Case No. PUR-2020-00035 ("2020 IRP Final Order").<sup>28</sup> Dominion also shall continue modeling the solar capacity factor as required by the Commission's directives in the 2020 RPS Final Order and 2020 IRP Final Order.<sup>29</sup>

*Partial Stipulation*

The Commission finds the Partial Stipulation, which no party opposed, and which represents a compromise among the Stipulating Parties, is reasonable for purposes of this case. In the Partial Stipulation, the Stipulating Participants agree that Dominion will model two alternative plans in addition to a least cost plan and a plan that models the development targets set forth in Code § 56-585.5 D and E and Code § 56-585.1:11, to be further refined through a stakeholder process contemplated in the Partial Stipulation.<sup>30</sup> While the Commission approves and adopts the Partial Stipulation, such approval in this proceeding does not represent approval of any specific resource or plan that may be modeled in accordance with the Partial Stipulation and presented in a future proceeding. The Commission will continue to make such determinations consistent with the evidence presented in each case, as prescribed by the Code.

RPS Reporting Metrics. Certification of RPS compliance will commence in the Company's 2022 RPS Filing for calendar year 2021.<sup>31</sup> As directed in the 2020 RPS Final Order, Dominion proposed certain reporting protocols associated with RPS Program certification as part of its Petition in this case.<sup>32</sup> Specifically, Dominion proposes to attach a report to its annual RPS Development Plan, beginning in 2022, that includes information needed to certify compliance with its RPS Program, including tables or charts showing RECs retired by type, vintage, and location, as well as information about the Company's bank of RECs ("Compliance Report").<sup>33</sup> The Company further proposes to provide a report from the PJM Generation Attribute Tracking System ("GATS"), which includes detailed information on all RECs used for RPS Program compliance ("GATS Compliance Report"). The Company proposes to make the GATS Compliance Report available electronically to Staff and interested parties upon request due to the voluminous nature of the report.<sup>34</sup>

We find the compliance protocols proposed by Dominion are reasonable for purposes of this first upcoming certification. We therefore direct Dominion to file the Compliance Report with its 2022 RPS Development Plan and to provide access to the GATS Compliance Report electronically to Staff and interested parties upon request in that proceeding.

We further find that a stakeholder process to determine RPS Program compliance reporting requirements is unnecessary at this time. Staff and interested parties will have an opportunity to address any issues with the Company's 2022 Compliance Report and GATS Compliance Report in the next RPS proceeding.<sup>35</sup>

RPS Reporting Requirements

In addition, we direct the Company to continue filing a consolidated bill analysis in its RPS proceedings, as directed in the 2020 RPS Order.<sup>36</sup> Similarly, we find that future RPS filings should continue to include additional information regarding Dominion's solar and onshore wind facilities under contract with specific customers, including accelerated renewable energy buyers.<sup>37</sup> In future RPS Filings, the Company shall also include, for each year over the preceding three calendar years, the actual capacity factor of each Commission-approved solar facility in its fleet, whether or not approved as part of an RPS proceeding.

Low-Income Qualifying Projects. Pursuant to Code § 56-585.5 C, Dominion "shall meet one percent of the RPS Program requirements in any given compliance year with solar, wind, or anaerobic digestion resources of one megawatt or less located in the Commonwealth, . . . and, to the extent that low-income qualifying projects are available, then no less than 25 percent of such one percent shall be composed of low-income qualifying projects." As part of its approval of the Company's 2020 RPS Plan, the Commission directed Dominion to use a reasonable stakeholder process to further address four questions, related to low-income qualifying projects, that were included in the Commission's July 10, 2020 Order Establishing 2020 RPS Proceedings in that case.<sup>38</sup> The Company convened stakeholders as directed and submitted a report on the stakeholder process in this case. In the report, stakeholders recommend incorporating language into the Commission's GATS business rules to establish a GATS code and self-certification process for resources seeking to qualify as low-income projects.<sup>39</sup>

<sup>28</sup> See, e.g., Ex. 26 (White Direct) at 7; 2020 RPS Final Order.

<sup>29</sup> See 2020 RPS Final Order at 6; 2020 IRP Final Order at 12-13.

<sup>30</sup> Partial Stipulation at 1-3.

<sup>31</sup> See 2020 RPS Final Order at 7.

<sup>32</sup> See, e.g., Ex. 2 (Petition) at RPS Development Plan, Attachment 9.

<sup>33</sup> See, e.g., *id.*; Ex. 47 (McMillan Rebuttal) at 25-28; Dominion's Post-Hearing Brief at 64-66.

<sup>34</sup> See, e.g., Dominion's Post-Hearing Brief at 65-66.

<sup>35</sup> See, e.g., Ex. 30 (Lucas Direct) 6-8; Tr. 350-351; SEIA-CHESSA's Post-Hearing Brief at 4-5; Dominion's Post-Hearing Brief at 64-66.

<sup>36</sup> 2020 RPS Final Order at 8.

<sup>37</sup> *Id.* at 9-10.

<sup>38</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 200710234, Order Establishing 2020 RPS Proceedings (July 10, 2020); 2020 RPS Final Order at 11.

<sup>39</sup> See, e.g., Ex. 51 (Frost Rebuttal) at 6-7, Rebuttal Schedule 1; Dominion's Post-Hearing Brief at 66-67.

We find that Dominion has adequately responded to the directives from the 2020 RPS Proceeding related to low-income qualifying projects. This is not, however, intended to discourage Dominion or any other interested party or Staff from raising relevant issues in future proceedings related to low-income qualifying projects.

The Commission will initiate a separate proceeding to address the recommendations of the stakeholder group to incorporate language into the GATS business rules to establish a self-certification process for resources seeking to qualify as low-income projects. Other GATS-related questions raised in this proceeding may also be considered in this future proceeding, as appropriate.

Requests for Proposal. The Commission will not require Dominion to implement any modifications to its RFP process at this time. We strongly encourage the Company, however, to consider input from Staff and other interested parties and to continue to refine and update its RFP process to ensure the inclusion of the most economical and least environmentally invasive projects.<sup>40</sup> Per its agreement with Staff, for example, Dominion committed in this proceeding to examining both a 1-2-3 scoring system and a 1-3-9 scoring system and provide both sets of non-price evaluations in future RPS proceedings.<sup>41</sup>

(ii) CE-2 Projects

#### *Code of Virginia*

In addition to the Code language quoted above, Code § 56-585.5 D 2 states that:

By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to (i) construct, acquire, or enter into agreements to purchase the energy, capacity, and environmental attributes of 16,100 megawatts of generating capacity located in the Commonwealth using energy derived from sunlight or onshore wind, which shall include 1,100 megawatts of solar generation of a nameplate capacity not to exceed three megawatts per individual project and 35 percent of such generating capacity procured shall be from the purchase of energy, capacity, and environmental attributes from solar facilities owned by persons other than a utility, including utility affiliates and deregulated affiliates and (ii) pursuant to § 56-585.1:11, construct or purchase one or more offshore wind generation facilities located off the Commonwealth's Atlantic shoreline or in federal waters and interconnected directly into the Commonwealth with an aggregate capacity of up to 5,200 megawatts. At least 200 megawatts of the 16,100 megawatts shall be placed on previously developed project sites.

Code § 56-585.5 E 2 states:

By December 31, 2035, each Phase II Utility shall petition the Commission for necessary approvals to construct or acquire 2,700 megawatts of energy storage capacity. Nothing in this subdivision shall prohibit a Phase II Utility from constructing or acquiring more than 2,700 megawatts of energy storage, provided that the utility receives approval from the Commission pursuant to §§ 56-580 and 56-585.1.<sup>42</sup>

Code § 56-580 D provides in part:

The Commission shall permit the construction and operation of electrical generating facilities in Virginia upon a finding that such generating facility and associated facilities (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility, (ii) are required by the public convenience and necessity, if a petition for such permit is filed after July 1, 2007, and if they are to be constructed and operated by any regulated utility whose rates are regulated pursuant to § 56-585.1, and (iii) are not otherwise contrary to the public interest.

Further, regarding generating facilities, Code § 56-580 D directs that "the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1 . . . ."

Code § 56-46.1 A provides in part:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted pursuant to Article 3 (§ 15.2-2223 et seq.) of Chapter 22 of Title 15.2.

<sup>40</sup> See, e.g., Ex. 37 (Kuleshova Direct) at 41-42, 72-76; Ex. 30 (Lucas Direct) at 21-22, 32; SEIA-CHESSA's Post-Hearing Brief at 5-9; Staff's Post-Hearing Brief at 26-29; Walmart's Post-Hearing Brief at 9-13.

<sup>41</sup> See, e.g., Ex. 37 (Kuleshova Direct) at 41; Ex. 47 (McMillan Rebuttal) at 19.

<sup>42</sup> The Commission has also adopted regulations related to the deployment of energy storage, effective January 1, 2021, in Case No. PUR-2020-00120. *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing rules and regulations pursuant to § 56-585.5 E 5 of the Code of Virginia related to the deployment of energy storage*, Case No. PUR-2020-00120, 2020 S.C.C. Ann. Rept. 562, Order Adopting Regulations (Dec. 18, 2020). Pursuant to 20 VAC 5-335-30 B 1, Dominion is required to petition for approval of at least 250 MW by December 31, 2025.

Code § 56-46.1 A also provides:

In order to avoid duplication of governmental activities, any valid permit or approval required for an electric generating plant and associated facilities issued or granted by a federal, state or local governmental entity charged by law with responsibility for issuing permits or approvals regulating environmental impact and mitigation of adverse environmental impact or for other specific public interest issues such as building codes, transportation plans, and public safety, whether such permit or approval is granted prior to or after the Commission's decision, shall be deemed to satisfy the requirements of this section with respect to all matters that (i) are governed by the permit or approval or (ii) are within the authority of, and were considered by, the governmental entity in issuing such permit or approval, and the Commission shall impose no additional conditions with respect to such matters.

Code § 56-580 D contains nearly identical language to avoid duplication of governmental activities.

Code § 56-46.1 A also directs the Commission to consider the effect of a proposed facility on economic development in Virginia, stating in part:

Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Energy Policy set forth in § 67-101.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.<sup>43</sup>

Similarly, Code § 56-596 A provides that "[i]n all relevant proceedings pursuant to [the Virginia Electric Utility Regulation] Act, the Commission shall take into consideration, among other things, the goal of economic development in the Commonwealth."

Code § 56.585.1 A 6 provides in part that:

In any application to construct a new generating facility, the utility shall include, and the Commission shall consider, the social cost of carbon, as determined by the Commission, as a benefit or cost, whichever is appropriate. The Commission shall ensure that the development of new, or expansion of existing, energy resources or facilities does not have a disproportionate adverse impact on historically economically disadvantaged communities . . . .

Further, Code § 56-585.1 A 6 also states in part:

The construction or purchase by a utility of one or more generation facilities with at least one megawatt of generating capacity, and with an aggregate rated capacity that does not exceed 16,100 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 100 megawatts, that use energy derived from sunlight or from onshore wind and are located in the Commonwealth or off the Commonwealth's Atlantic shoreline, regardless of whether any of such facilities are located within or without the utility's service territory, is in the public interest, and in determining whether to approve such facility, the Commission shall liberally construe the provisions of this title . . . .

Notwithstanding any provision of Chapter 296 of the Acts of Assembly of 2018, construction, purchasing, or leasing activities for a new utility-owned and utility-operated generating facility or facilities utilizing energy derived from sunlight or from onshore wind with an aggregate capacity of 16,100 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 100 megawatts, together with a utility-owned and utility-operated generating facility or facilities utilizing energy derived from offshore wind with an aggregate capacity of not more than 3,000 megawatts, are in the public interest . . . .

Finally, Code § 56-585.1 D states that:

The Commission may determine, during any proceeding authorized or required by this section, the reasonableness or prudence of any cost incurred or projected to be incurred, by a utility in connection with the subject of the proceeding. A determination of the Commission regarding the reasonableness or prudence of any such cost shall be consistent with the Commission's authority to determine the reasonableness or prudence of costs in proceedings pursuant to the provisions of Chapter 10 (§ 56-232 et seq.). In determining the reasonableness or prudence of a utility providing energy and capacity to its customers from renewable energy resources, the Commission shall consider the extent to which such renewable energy resources, whether utility-owned or by contract, further the objectives of the Commonwealth Energy Policy set forth in § 67-101.1, and shall also consider whether the costs of such resources is likely to result in unreasonable increases in rates paid by customers.<sup>44</sup>

*CPCNs*

The Company seeks CPCNs and approval to construct and operate the CE-2 Projects, which consist of 11 utility-scale solar generating facilities totaling approximately 561 MW ("CE-2 Solar Projects"), one solar generating facility paired with energy storage totaling approximately 100 MW of solar and 50 MW of storage ("CE-2 Solar and Storage Project"), and one stand-alone energy storage resource totaling approximately 20 MW ("CE-2 Storage Project").<sup>45</sup> The name, size, locality, interconnection and projected commercial operation date ("COD") for each of the CE-2 Projects is provided below:<sup>46</sup>

<sup>43</sup> Effective October 1, 2021, Code § 67-101.1 was repealed and the Commonwealth Clean Energy Policy was relocated to Code § 45.2-1706.1.

<sup>44</sup> Effective October 1, 2021, Code § 67-101.1 was repealed and the Commonwealth Clean Energy Policy was relocated to Code § 45.2-1706.1.

<sup>45</sup> Ex. 2 (Petition) at 8.

<sup>46</sup> Ex. 10 (Avram Direct) at 12.

Project Name	Size (MW)	Locality	Interconnection	COD
<b>CE-2 Solar Projects</b>				
Camellia	20	Gloucester	Distribution	2023
Fountain Creek	80	Greensville	Transmission	2023
Otter Creek	60	Mecklenburg	Transmission	2023
Piney Creek	80	Halifax	Transmission	2023
Quillwort	18	Powhatan	Distribution	2023
Sebera	18	Prince George	Distribution	2023
Solidago	20	Isle of Wight	Distribution	2023
Sweet Sue	75	King William	Transmission	2023
Walnut	150	King & Queen	Transmission	2023
Winterberry	20	Gloucester	Distribution	2023
Winterpock	20	Chesterfield	Distribution	2023
<b>CE-2 Solar and Storage Project</b>				
Dulles	100 (solar) + 50 (storage)	Loudoun	Transmission	2023
<b>CE-2 Storage Project</b>				
Dry Bridge	20	Chesterfield	Distribution	2022

Based on the record established herein and discussed further below, the Commission finds that the CE-2 Projects, consisting of the CE-2 Solar Projects, CE-2 Solar and Storage Project, and CE-2 Storage Project, meet all of the legal requirements for approval given this early stage of VCEA implementation.<sup>47</sup> We note this proceeding is Dominion's second RPS Filing (and the first RPS Filing where the Company has sought approval of storage facilities).<sup>48</sup>

Dominion asserts that it does not need to obtain CPCNs to construct and operate the CE-2 Distributed Solar Projects, which consist of: (i) the approximately 1.6 MW (AC) Black Bear Solar Project located in Buckingham County; and (ii) the approximately 2.0 MW (AC) Springfield Solar Project located in Westmoreland County.<sup>49</sup> We concur with the Company and Staff that the CE-2 Distributed Solar Projects do not require CPCNs.<sup>50</sup>

We find that interconnection facilities for the CE-2 Projects are ordinary extensions or improvements that do not require a CPCN, except for the interconnection facilities associated with the Fountain Creek Solar Project. We grant the necessary CPCN for the Fountain Creek Solar Project interconnection facilities based on the evidence in the record.<sup>51</sup>

*a. Reliability*

Code § 56-580 D sets forth three criteria for granting a CPCN. The first criterion is that the projects have "no material adverse effect upon reliability of electric service provided by any regulated public utility." The CE-2 Projects would not have a material adverse effect upon reliability. The record in this case supports such finding. Notwithstanding, some projects are still early in the approval process at PJM. Staff recommends that the CPCNs for the Camellia Solar Project, Piney Creek Solar Project, Walnut Solar Project, and the Dulles Solar + Storage Project be subject to obtaining and filing an executed Small Generation Interconnection Agreement ("SGIA") or Interconnection Service Agreement ("ISA") at PJM indicating no unaddressed adverse impact on system reliability.<sup>52</sup> While we find that the CE-2 Projects will have no material adverse effect upon reliability of electric service, we make this finding for the Camellia Solar Project, Piney Creek Solar Project, Walnut Solar Project, and the Dulles Solar + Storage Project subject to the Company filing a copy of the SGIA or ISA for these facilities in this docket once these agreements are executed.

*b. Public Convenience and Necessity*

The second enumerated criterion in Code § 56-580 D is that a project is "required by the public convenience and necessity." As we have previously found, this term includes, among other criteria, both an evaluation of the need for the project as well as the reasonableness of the cost.<sup>53</sup>

<sup>47</sup> See Ex. 10 (Avram Direct) at Schedules 2-14; Ex. 7 (Joshipura Direct) at 8-9; Ex. 43 (Avram Rebuttal) at 7-8.

<sup>48</sup> Under the facts and circumstances of this proceeding, the Commission further finds that such storage facilities require a CPCN. See, e.g., Ex. 10 (Avram Direct) at 19-27.

<sup>49</sup> The Company asserts that the CE-2 Distributed Solar Projects are needed to comply with Code § 56-585.5 D 2, and would further serve customers' capacity, energy, and REC needs. Ex. 10 (Avram Direct) at 28; Ex. 21 (Frost Direct) at 7-8.

<sup>50</sup> Ex. 21 (Frost Direct) at 8-9; Ex. 7 (Joshipura Direct) at 24-25.

<sup>51</sup> See, e.g., Ex. 10 (Avram Direct) at Schedules 2-14; Ex. 7 (Joshipura Direct) at 8-9; Ex. 43 (Avram Rebuttal) at 7-8.

<sup>52</sup> Ex. 7 (Joshipura Direct) at 6-7, 10-12, 17-18, 20-22. The Company did not oppose this recommendation. Ex. 43 (Avram Rebuttal) at 7.

<sup>53</sup> See, e.g., *Petition of Virginia Electric and Power Company, For approval and certification of the proposed US-3 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider US-3, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2018-00101, 2019 S.C.C. Ann. Rept. 239, 243, Order Granting Certificates (Jan. 24, 2019).

1) *Need*

The Company asserts that the CE-2 Projects are needed to comply with the VCEA, to serve customers' capacity and energy needs, and to comply with carbon regulations.<sup>54</sup> Based on the record established herein, we agree that the CE-2 Solar Projects, the CE-2 Solar and Storage Project, and the CE-2 Storage Project are needed to comply with the VCEA, to serve customers' capacity and energy needs, and to comply with carbon regulations.<sup>55</sup>

Among other things, the VCEA establishes a mandatory RPS Program with which the Company must comply through the procurement and retirement of RECs commencing in 2021.<sup>56</sup> According to Dominion, compliance with the mandatory RPS Program is "the primary driver of the need for significant new renewable energy generation."<sup>57</sup> The record reflects, for example, that Dominion forecasts it will have an estimated annual gigawatt-hour need for RECs that exceeds 19,000 in 2030, and that grows to over 29,000 in 2035.<sup>58</sup> As Consumer Counsel acknowledges, the proposed solar facilities "can be used to meet the RPS requirements set forth in [Code] § 56-585.5. . . ."<sup>59</sup> The Company-owned solar projects are expected to provide approximately 1,231 gigawatt-hours of energy production in the first full year of operation.<sup>60</sup>

The VCEA also directs the retirement of certain generating resources by December 31, 2024.<sup>61</sup> The Company anticipates retiring its Chesterfield Units 5 and 6 and Yorktown Unit 3 by 2023 in compliance with the VCEA.<sup>62</sup> The Company further anticipates having a capacity deficit beginning in 2026.<sup>63</sup> We find that the CE-2 Projects will assist the Company in providing capacity and energy to its customers.<sup>64</sup>

Finally, the record shows that the CE-2 Projects will assist the Company in complying with state carbon regulations and support the Commonwealth's participation in the Regional Greenhouse Gas Initiative.<sup>65</sup> We agree with the Company that "[r]enewable energy resources like solar generation will necessarily assume an important role in compliance with carbon emission reduction requirements."<sup>66</sup>

For purposes of this case, taking the record as a whole, we find that the CE-2 Projects are needed.

2) *Cost*

According to the Company, the total estimated capital expenditure costs for the CE-2 Solar Projects are approximately \$1.1045 billion, excluding financing costs, or approximately \$1,969 per kilowatt ("kW") at the total 561 MW (nominal AC) rating.<sup>67</sup> The Company further states that the total estimated capital expenditure costs for the CE-2 Solar and Storage Project and related transmission facilities is approximately \$279.7 million, excluding financing costs, or approximately \$1,864 per kW at the total 150 MW (nominal AC) rating.<sup>68</sup> For the CE-2 Storage Project and related distribution facilities, the Company states that the total estimated capital expenditure costs are \$41.2 million, excluding financing costs, or approximately \$2,059 per kW at the total 20 MW (nominal AC) rating.<sup>69</sup>

<sup>54</sup> Ex. 2 (Petition) at 8.

<sup>55</sup> See, e.g., Ex. 2 (Petition) at 8; Ex. 37 (Kuleshova Direct) at 7-8; Ex. 32 (Dalton Direct) at 7, 34-35; Ex. 27 (Rábago Direct) at 3; Ex. 30 (Lucas Direct) at 5; SEIA/CHESSA's Post Hearing Brief at 2-3; Dominion's Post-Hearing Brief at 6-8.

<sup>56</sup> Code § 56-585.5 C.

<sup>57</sup> Ex. 2 (Petition) at RPS Development Plan, p. 1.

<sup>58</sup> Ex. 14 (Compton Direct) at 6; Ex. 2 (Petition) at RPS Development Plan, Attachment 7. If the Company fails to procure enough RECs to comply with the RPS Program, it is subject to a statutory deficiency payment. Code § 56-585.5 D 5.

<sup>59</sup> Consumer Counsel's Post-Hearing Brief at 11.

<sup>60</sup> Ex. 14 (Compton Direct) at 6.

<sup>61</sup> Code § 56-585.5 B 1.

<sup>62</sup> See, e.g., Ex. 14 (Compton Direct) at 7-8; Ex. 32 (Dalton Direct) at 7.

<sup>63</sup> See, e.g., Tr. 713.

<sup>64</sup> See, e.g., Ex. 14 (Compton Direct) at 4-5; Ex. 32 (Dalton Direct) at 6-13; Ex. 37 (Kuleshova Direct) at 7-8; Consumer Counsel's Post-Hearing Brief at 10.

<sup>65</sup> See e.g., Ex. 23 (Ericson Direct) at 2-4; Code § 10.1-1300 *et seq.*; 9 VAC 5-140-6010 *et seq.*

<sup>66</sup> Ex. 23 (Ericson Direct) at 4.

<sup>67</sup> Ex. 10 (Avram Direct) at 18.

<sup>68</sup> *Id.* at 21-22.

<sup>69</sup> *Id.* at 24.

The Company selected the CE-2 Projects from a 2020 RFP ("2020 Solar-Wind-Storage RFP") for additional utility-scale solar, onshore wind, and energy storage facilities in Virginia.<sup>70</sup> The record reflects that the Company received a total of 73 proposals for 63 separate solar or storage facilities totaling approximately 4,588 MW and one onshore wind facility totaling approximately 176 MW.<sup>71</sup>

We find, based on the record established herein, including the statutory requirements of the VCEA, that the total capital expenditure costs of the proposed CE-2 Solar Projects, the CE-2 Solar and Storage Project, and the CE-2 Storage Project are reasonable and prudent at the projected cost of \$1.1045 billion, \$279.7 million, and \$41.2 million, respectively.<sup>72</sup>

Finally, Dominion conducted economic modeling of the CE-2 Projects to evaluate their costs and benefits.<sup>73</sup> This economic modeling has been criticized by certain participants.<sup>74</sup> For example, Staff, Consumer Counsel, and Walmart all expressed concerns with the Company's use of a \$45 deficiency payment as a proxy for REC prices in its economic analysis of the CE-2 Projects and CE-2 PPAs.<sup>75</sup> Staff recommended use of the REC price forecast included by the Company in its 2021 IRP update proceeding in lieu of the statutory \$45 deficiency payment.<sup>76</sup> We agree with the concerns raised by the participants and find that there is value in an economic analysis that uses the purchase price of a replacement REC, rather than the deficiency payment, as the REC proxy value. We therefore direct Dominion to present the results of its economic analysis for future project proposals under two scenarios related to the REC value: (i) the Company's ICF REC price forecast and (ii) the statutory deficiency payment, and to provide both sets of economic analyses for review with its application.

Further, in future filings, as agreed, the Company shall provide an explanation as to why any project's design as proposed has a DC/AC ratio that is below the Virginia average. This information shall be provided with the Company's application.<sup>77</sup> Consistent with our direction in the 2020 RPS Final Order, Dominion shall continue to model the projected solar capacity factor in the economic analysis for its proposed projects using the actual capacity performance of Dominion's solar tracking fleet in Virginia based on an average of the most recent three-year period.<sup>78</sup> The Company shall also model the projected capacity factor based on the engineering design, as a sensitivity.<sup>79</sup>

*c. Public Interest*

The third enumerated criterion in Code § 56-580 D is that a project is "not otherwise contrary to the public interest." The Commission finds that this criterion is similarly satisfied based on the facts of this case and our other findings herein.

*d. Social Cost of Carbon*

Code § 56-585.1 A 6 directs that "[i]n any application to construct a new generating facility, the utility shall include, and the Commission shall consider, the social cost of carbon, as determined by the Commission, as a benefit or cost, whichever is appropriate." While there was criticism of certain aspects of the Company's calculation of the social cost of carbon benefit,<sup>80</sup> no one argued that the CE-2 Projects represent a net carbon cost. Further, the record clearly establishes that the CE-2 Projects do not produce carbon; this is a benefit.<sup>81</sup> As such, the record developed herein supports a finding that the CE-2 Projects result in a social cost of carbon benefit.

*e. Environmental Impact*

The Code directs that the Commission "shall give consideration to the effect of [a] facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact."<sup>82</sup>

<sup>70</sup> See, e.g., Ex. 20 (McMillan Direct) at 2.

<sup>71</sup> *Id.* at 6.

<sup>72</sup> We further note that there is an approximately \$172 million reduction to overall customer costs as a result of the CE-2 Projects' eligibility for solar investment tax credits. See Ex. 10 (Avram Direct) at 12-13; Ex. 14 (Compton Direct) at 13.

<sup>73</sup> See, e.g., Ex. 14 (Compton Direct) at 11-15.

<sup>74</sup> See, e.g., Ex. 37 (Kuleshova Direct) at 10-38; Consumer Counsel's Post-Hearing Brief at 11-24; Walmart's Post-Hearing Brief at 14-15.

<sup>75</sup> See, e.g., Ex. 37 (Kuleshova Direct) at 16-23; Consumer Counsel's Post-Hearing Brief at 19-22; Walmart's Post-Hearing Brief at 14.

<sup>76</sup> See, e.g., Ex. 37 (Kuleshova Direct) at 16-23.

<sup>77</sup> See, e.g., *id.* at 31-34; Ex. 43 (Avram Rebuttal) at 13-14.

<sup>78</sup> Similarly, for fixed tilt solar resources, the Company shall model the projected solar capacity factor in the economic analysis for its proposed projects using the actual capacity performance of Dominion's fixed tilt fleet, based on the average of the most recent three-year period.

<sup>79</sup> See 2020 RPS Final Order at 20.

<sup>80</sup> See, e.g., Ex. 14 (Compton Direct) at 14-15; Ex. 37 (Kuleshova Direct) at 44-47.

<sup>81</sup> See, e.g., Ex. 10 (Avram Direct) at 29 (establishing that the CE-2 Projects would be emissions-free, renewable power and new energy storage capacity).

<sup>82</sup> Code § 56-46.1 A. See also Code § 56-580 D (stating that "the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1, . . .").

As noted above, DEQ coordinated an environmental review of the proposed CE-2 Projects and submitted a DEQ Report that, among other things, set forth specific recommendations. The DEQ Report contains the following summary of recommendations:

- Follow DEQ recommendations including the avoidance and minimization of impacts to wetlands and streams;
- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;
- Evaluate identified Pollution Complaint case and its potential to impact the proposed project;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;
- Identify hazardous wastes contained in solar panels since Resource Conservation and Recovery Act 8 metals may be present;
- Coordinate with the Department of Conservation and Recreation ("DCR") on a diabase plant inventory at the Dulles Solar and Storage site and an oak toad and barking treefrog inventory at the Fountain Creek Solar site;
- Coordinate with the DCR on a plan to minimize the fragmentation of ecological cores at identified sites;
- Development of an invasive species management plan and the planting of native pollinator plants may be coordinated with the DCR;
- Coordinate with the DCR at final design stage for updates to the Biotics Data System database;
- Coordinate with the Department of Wildlife Resources ("DWR") on its site-specific recommendations for identified solar sites;
- Coordinate with the DWR on its construction-specific recommendations for all solar sites;
- Coordinate with the DWR on its recommendations for the protection of aquatic resources;
- Coordinate with the DWR on its general recommendations for the protection of wildlife resources;
- Coordinate with the Virginia Outdoors Foundation should projects change or if construction does not begin within 24 months of its response;
- Coordinate with the Department of Forestry ("DOF") on its recommendations for the protection of forest resources;
- Employ best management practices (BMPs) and Spill Prevention and Control Countermeasures as appropriate for the protection of water supply sources;
- Follow the principles and practices of pollution prevention to the extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.<sup>83</sup>

Dominion expressed concern with respect to certain recommendations by DCR, DOF, and DWR. First, Dominion asserts the DCR's Division of Natural Heritage ("DCR-DNH") recommendation that the Company coordinate with the agency on a plan to minimize fragmentation of ecological cores at 10 of the 13 sites associated with the CE-2 Projects is unnecessary and unreasonable as the Company has already taken fragmentation into consideration.<sup>84</sup> We find that despite the Company's stated consideration of fragmentation, the DCR-DNH recommendation is not unreasonable and the Company should be required to adhere to it.

Although not included in the DEQ Report's summary of recommendations, the Company also takes issue with the DOF recommendation that the Company consider mitigation for impacts to forests via land protection or restoration of forest of equal or greater value than the forests that are impacted by the CE-2 Projects.<sup>85</sup> The Company asserts that it is not aware of any legal requirement to complete one-for-one mitigation and asserts that therefore this recommendation is unreasonable.<sup>86</sup> The Commission finds that the DOF's tree and forest mitigation recommendation is unwarranted given the lack of a legal requirement for one-for-one mitigation.

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<sup>83</sup> Ex. 9 (DEQ Report) at 6-7.

<sup>84</sup> *Id.* at 22; Ex. 52 (Ericson Rebuttal) at 9.

<sup>85</sup> Ex. 52 (Ericson Rebuttal) at 10.

<sup>86</sup> *Id.*

Although not included in the DEQ Report's summary of recommendations, the Company opposes the DWR recommendation that it conduct removal and ground-clearing activities outside of the primary songbird nesting season of March 15 through August 15.<sup>87</sup> Dominion states that adherence to the time of year restrictions will result in significant delays to construction schedules and potential increases in project costs.<sup>88</sup> The Company has agreed to coordinate as needed with DWR if songbird nesting is observed within the CE-2 Project areas during construction.<sup>89</sup> We find that Dominion shall coordinate with the DWR should songbird nesting be observed in the project areas during construction.

With respect to DCR-DNH, Dominion takes issue with the agency's recommendation that the Company develop an invasive species plan for each of the CE-2 Projects.<sup>90</sup> The Company asserts that this recommendation is unnecessary because there is no reason to believe that development of solar facilities will result in the introduction of invasive species to the project sites and the Company's existing vegetation management plans can be expected to limit unchecked proliferation of nuisance vegetation.<sup>91</sup> We agree that the Company should not be required to develop and implement an invasive species management plan specific to the CE-2 Project sites that is different from the Company's existing comprehensive integrated vegetation management plan for controlling vegetation, including invasive species, throughout the Company's service territory.<sup>92</sup>

Although not included in the DEQ Report's summary of recommendations, Dominion opposes the DCR-DNH recommendation that the Company plant Virginia native pollinator plant species that bloom throughout the spring and summer.<sup>93</sup> The Company asserts that this recommendation is potentially costly, inappropriate without further study, and unnecessary. The Company asserts that each site will be revegetated in a manner consistent with industry-accepted best practices and in accordance with the approved erosion and sediment control plan, and consistent with local requirements.<sup>94</sup> Based on the Company's representation that it will comply with any requirements adopted by localities addressing the planting of pollinators, we will not require the Company's compliance with this DCR recommendation.<sup>95</sup>

Dominion also opposes DCR-DNH's recommendation that the Company coordinate with the agency at the final design stage for updates to its Biotics Data System database.<sup>96</sup> The Company asserts that this recommendation is unnecessary and unreasonable as the study limits for the CE-2 Projects have been coordinated with DCR-DNH on more than one occasion. The Company does commit to resubmitting a project review request with the DNH should changes to the original study area for any of the CE-2 Projects occur.<sup>97</sup> We find that the recommendation to coordinate with DCR-DNH at the final design stage to be unnecessary. However, Dominion shall resubmit a project review request should changes occur to the original study area for any of the CE-2 Projects.

Although not included in the DEQ Report's summary of recommendations, Dominion takes issue with DWR's recommendation that the Company refer to DWR's Solar Energy Facility Guidance document for information on minimization of adverse impacts of solar energy facilities.<sup>98</sup> Dominion represents that it does not oppose coordinating with DWR on its construction-specific recommendations.<sup>99</sup> We find Dominion's willingness to coordinate with DWR sufficient. Dominion shall coordinate with the DWR on its construction-specific recommendations.<sup>100</sup>

With regard to the DCR-DNH recommendation that the Company conduct an inventory for diabase plants in the study area for the Dulles Solar + Storage Project, the Company asserts that this recommendation is unnecessary and unreasonable due to the low likelihood of diabase plants in the project area.<sup>101</sup> We find that the Company shall provide its construction team with information about the diabase plant species and coordinate with DCR-DNH if a species of concern is observed within the Dulles Solar + Storage project area.

<sup>87</sup> *Id.* at 11.

<sup>88</sup> *Id.* at 12.

<sup>89</sup> *Id.*

<sup>90</sup> Ex. 9 (DEQ Report) at 22; Ex. 52 (Ericson Rebuttal) at 12-13.

<sup>91</sup> Ex. 52 (Ericson Rebuttal) at 12-13.

<sup>92</sup> The Company has requested, and the Commission has approved, rejection of a comparable DEQ recommendation in similar circumstances in prior proceedings. *See, e.g.,* 2020 RPS Final Order at 22-23; *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Loudoun-Ox 230 kV Transmission Line Partial Rebuild Projects*, Case No. PUR-2019-00128, 2020 S.C.C. Ann. Rept. 306, 309, Final Order (June 2, 2020); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Lockridge 230 kV Line Loop and Lockridge Substation*, Case No. PUR-2019-00215, 2020 S.C.C. Ann. Rept. 391, Final Order (Oct. 1, 2020).

<sup>93</sup> Ex. 9 (DEQ Report) at 22; Ex. 52 (Ericson Rebuttal) at 14-16.

<sup>94</sup> Ex. 52 (Ericson Rebuttal) at 16.

<sup>95</sup> The Company has requested, and the Commission has approved, rejection of a comparable DEQ recommendation in similar circumstances in prior proceedings. *See, e.g.,* 2020 RPS Final Order at 23.

<sup>96</sup> Ex. 9 (DEQ Report) at 22; Ex. 52 (Ericson Rebuttal) at 16-17.

<sup>97</sup> Ex. 52 (Ericson Rebuttal) at 17.

<sup>98</sup> Ex. 9 (DEQ Report) at 26; Ex. 52 (Ericson Rebuttal) at 17-18.

<sup>99</sup> Ex. 52 (Ericson Rebuttal) at 18.

<sup>100</sup> *See* Ex. 9 (DEQ Report) at 26.

<sup>101</sup> *Id.* at 21; Ex. 52 (Ericson Rebuttal) at 18-20.



With regard to the DCR-DNH recommendation that the Company conduct an inventory for oak toad and barking tree frog in the study area for the Fountain Creek Solar Project, the Company asserts this request is unreasonable as neither of these species are classified as threatened or endangered.<sup>102</sup> We find that the Company shall provide its construction team with information about the barking tree frog and oak toad and direct Dominion to coordinate with DWR if one of these species is observed within the project area.

With regard to the DWR recommendation that the Company conduct a habitat assessment for the loggerhead shrike throughout the project site at Fountain Creek Solar, the Company states that the single loggerhead shrike observation was recorded in 2009 and, since then, there have been no other sightings in the project vicinity.<sup>103</sup> The Company asserts that a habitat assessment would result in delays in the construction schedule and an increase in cost. The Company asserts this recommendation is unnecessary given the low likelihood of disturbance to the loggerhead shrike. We find that the Company shall provide its construction team with information about the loggerhead shrike and direct Dominion to coordinate with DWR if the species is observed within the project area.

We find that as a condition of the CPCNs granted herein, the Company is required to comply with the recommendations in the DEQ Report and coordinate with DEQ to implement DEQ's recommendations, consistent with the requirements of this Order. Finally, as a further condition to the CPCNs granted herein, the Company shall obtain all environmental permits and approvals necessary to construct and operate the CE-2 Projects.

*f. Economic Development*

As required by Code § 56-46.1 A, the Commission has "consider[ed] the effect of the proposed facilit[ies] on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Energy Policy . . . ."<sup>104</sup>

We find that based on the record in this proceeding the CE-2 Projects would have a positive impact on economic development in Virginia through temporary jobs during construction, permanent jobs after the CE-2 Projects are completed, ancillary goods and services related to the CE-2 Projects, and expansion of the tax base in the counties where the CE-2 Projects will be constructed and in the Commonwealth.<sup>105</sup>

The Commission will consider relevant evidence regarding economic development impacts of a specific resource request on a case-by-case basis in future proceedings.<sup>106</sup>

*g. Environmental Justice and Impact on Historically Economically Disadvantaged Communities*

As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>107</sup> In addition, Code § 56-585.1 A 6 specifically directs that "[t]he Commission shall ensure that the development of new, or expansion of existing, energy resources or facilities does not have a disproportionate adverse impact on historically economically disadvantaged communities."

The record in this matter includes information concerning environmental justice associated with the proposed CE-2 Projects and the impact on historically economically disadvantaged communities.<sup>108</sup> For the CE-2 Projects, the Company completed full environmental justice assessments for each project and states that it will complete community outreach as needed based on the project.<sup>109</sup> We have considered this evidence in approving the proposed CE-2 Projects.<sup>110</sup>

Dominion shall continue to evaluate and rank the potential environmental justice impacts of different renewable options and include the results of its evaluation in its next RPS Filing.<sup>111</sup>

(iii) Rider CE

<sup>102</sup> *Id.* at 20.

<sup>103</sup> Ex. 9 (DEQ Report) at 25; Ex. 52 (Ericson Rebuttal) at 21.

<sup>104</sup> *See also* Code §§ 56-596 A and 56-585.5 D.

<sup>105</sup> *See, e.g.*, Ex. 10 (Avram Direct) at 29-30.

<sup>106</sup> We further find that, at this time, relevant evidence regarding economic development impacts associated with each annual RPS plan shall be considered on a case-by-case basis.

<sup>107</sup> Code § 2.2-234; *See* 2020 IRP Final Order at 14-15.

<sup>108</sup> *See, e.g.*, Ex. 2 (Petition) at RPS Development Plan, Attachment 12; Ex. 8 (Ricketts Direct) at 4-19; Ex. 5 (Parker Rebuttal) at 2-7.

<sup>109</sup> *See, e.g.*, Ex. 2 10 (Avram Direct) at 31.

<sup>110</sup> At this time, we will not require Dominion to implement any changes to its environmental justice review.

<sup>111</sup> 2020 RPS Final Order at 26.

The Company requests the approval of Rider CE for cost recovery associated with: (i) the CE-2 Projects and related distribution and transmission interconnection facilities; (ii) the costs of the CE-2 Distributed Solar Projects pursuant to Subsection A 6; and (iii) costs associated with the CE-1 Projects approved in the 2020 RPS Proceeding.<sup>112</sup>

Dominion calculates a revenue requirement for the rate year beginning May 1, 2022, and ending April 30, 2023, of \$71,953,000, which incorporates Staff's proposed revenue requirement, as well as the rate of return on common equity and other capital structure updates approved by the Commission in Case No. PUR-2021-00058.<sup>113</sup> Dominion acknowledges this updated revenue requirement exceeds the amount noticed to the public of \$71,025,000 and thereby states it will limit its requested recovery to the noticed amount.<sup>114</sup> Staff is in agreement with the Company's revenue requirement calculation.<sup>115</sup>

The Commission herein approves a revenue requirement of \$71,025,000. In approving this revenue requirement, the Commission finds it reasonable, for purposes of this proceeding, to allocate the costs of the CE-2 Projects using the average and excess allocation methodology (Factor 1) and to allocate the CE-2 Projects' energy revenues from the PJM wholesale market on an energy-only basis (Factor 3), which is consistent with how these respective costs and benefits have been historically allocated to Dominion's customers.<sup>116</sup> We have established a separate proceeding to consider cost allocation for RPS-related costs and benefits.<sup>117</sup> We direct the Company to incorporate any decisions from the cost allocation proceeding that affect Rider CE in future RPS Filings.<sup>118</sup>

(iv) CE-2 PPAs Prudence Determination

*Code of Virginia*

Code § 56-585.1:4 H states as follows:

A utility may elect to petition the Commission, outside of a triennial review proceeding conducted pursuant to § 56-585.1, at any time for a prudency determination with respect to the construction or purchase by the utility of one or more solar or wind generation facilities located in the Commonwealth or off the Commonwealth's Atlantic Shoreline or the purchase by the utility of energy, capacity, and environmental attributes from solar or wind facilities owned by persons other than the utility. . . .

The CE-2 PPAs consist of (i) five PPAs for utility-scale solar generating facilities totaling approximately 137 MW ("CE-2 Solar PPAs"), (ii) two PPAs for utility-scale solar generating facilities paired with energy storage totaling approximately 26 MW of solar and 13 MW of storage ("CE-2 Solar and Storage PPAs"), (iii) one PPA for a stand-alone energy storage resource totaling approximately 20 MW ("CE-2 Storage PPA"), and (iv) 12 PPAs for 16 small-scale solar generating facilities totaling approximately 33 MW ("CE-2 Distributed Solar PPAs").<sup>119</sup> The name, size, locality, interconnection and projected COD for each of the CE-2 PPAs is provided below:<sup>120</sup>

Project Name	Size (MW)	Locality	Interconnection	COD
<b>CE-2 Solar PPAs</b>				
360 Solar 1	26.0	Chesterfield	Distribution	2023
360 Solar 2	26.0	Chesterfield	Distribution	2023
Stratford	15.0	Suffolk	Distribution	2021
Surry	20.0	Surry	Distribution	2023
Ho-Fel	50.0	Franklin	Transmission	2023
<b>CE-2 Storage PPAs</b>				
Three Sisters	20.0	Southampton	Distribution	2023
<b>CE-2 Solar and Storage PPAs</b>				
Cox	16.0 (solar) + 8.0 (storage)	Cumberland	Distribution	2023
Sinai	9.9 (solar) + 5.0 (storage)	Halifax	Distribution	2023

<sup>112</sup> See, e.g., Ex. 2 (Petition) at 1. Costs related to the CE-2 PPAs will not be recovered in Rider CE but instead will be recovered in a separate RAC, Rider PPA.

<sup>113</sup> Ex. 53 (Lecky Rebuttal) at 2-3. Staff's proposed revenue requirement was materially identical to the revenue requirement proposed by the Company in the Petition. See Ex. 31 (Morgan Direct) at 4-5.

<sup>114</sup> Ex. 53 (Lecky Rebuttal) at 3.

<sup>115</sup> See Tr. 387.

<sup>116</sup> See, e.g., 2020 RPS Final Order at 28-29.

<sup>117</sup> See *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing a proceeding concerning the allocation of RPS-related costs and the determination of certain proxy values for Virginia Electric and Power Company*, Case No. PUR-2021-00156, Doc. Con. Cen. No. 210820125, Order Establishing Proceeding (Aug. 11, 2021).

<sup>118</sup> See, e.g., Ex. 4 (Stuller Direct) at 3; Ex. 8 (Ricketts Direct) at 19-20.

<sup>119</sup> Ex. 47 (McMillian Rebuttal) at 2-3.

<sup>120</sup> Ex. 20 (McMillian Supp. Direct) at 4; Ex. 20 (McMillan Direct) at 10.

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<b>CE-2 Distributed Solar PPAs</b>				
USS Boykins Solar LLC 3MW	3.0	Southampton	Distribution	2022
Knollwood Solar	3.0	Pittsylvania	Distribution	2022
USS Boykins Solar LLC 1MW	1.0	Southampton	Distribution	2022
Rockingham Scenic Farms	3.0	Rockingham	Distribution	2022
CPG Suffolk (Solenis)	3.0	Suffolk	Distribution	2022
Elm Spring	3.0	Augusta	Distribution	2022
Shenvalee	3.0	Augusta	Distribution	2022
Sandale Solar	3.0	Lancaster	Distribution	2022
OYA Jack Drive	3.0	Dinwiddie	Distribution	2022
Nuby Run Solar	2.0	Isle of Wight	Distribution	2022
Spring Run Solar 1	1.0	Hanover	Distribution	2022
Spring Run Solar 2	1.0	Hanover	Distribution	2022
Spring Run Solar 3	1.0	Hanover	Distribution	2022
Wood Brother's Road 1	1.0	Middlesex	Distribution	2022
Wood Brother's Road 2	1.0	Middlesex	Distribution	2022
Wood Brother's Road 3	1.0	Middlesex	Distribution	2022

Dominion asserts that the CE-2 PPAs are needed to comply with the VCEA, to serve customers' capacity and energy needs, and to comply with carbon regulations.<sup>121</sup>

We find that the CE-2 PPAs are needed for the same reasons that the CE-2 Projects are needed. We also find the costs of the CE-2 PPAs to be reasonable and prudent for purposes of this case.<sup>122</sup> Like the CE-2 Solar Projects, the CE-2 PPAs were the product of the Company's 2020 Solar-Wind-Storage RFP, as well as a product of the 2020 Distributed Solar RFP, which are both competitive bidding processes.<sup>123</sup>

In sum, the Commission finds that the proposed CE-2 PPAs, consisting of the CE-2 Solar PPAs, CE-2 Solar and Storage PPAs, CE-2 Storage PPA, and CE-2 Distributed Solar PPAs, are prudent and should be approved.<sup>124</sup>

#### *Waiver Request*

Dominion seeks an ongoing waiver to provide, in future cases, the estimated annual revenue requirement in a consolidated format rather than by project, and to provide the calculations supporting the estimated annual revenue requirement electronically rather than in hard copy.<sup>125</sup> We decline to grant the requested waiver at this time and direct Dominion to file this information in future RPS Filings in conformance with the directives provided to the Company in the present case.

Accordingly, IT IS ORDERED THAT:

- (1) The RPS Development Plan is approved as set forth herein.
- (2) Subject to the conditions and requirements set forth in this Final Order, Dominion is granted approval and Certificates of Public Convenience and Necessity as set forth below to construct and operate the following solar and/or storage facilities.

Project Name	CPCN No.
<b>CE-2 Solar Projects</b>	
Camellia	EG-DEV-GLO-2022-A
Fountain Creek	EG-DEV-GVL-2022-A
Otter Creek	EG-DEV-MEC-2022-A
Piney Creek	EG-DEV-HAL-2022-A
Quillwort	EG-DEV-POW-2022-A

<sup>121</sup> See, e.g., Ex. 2 (Petition) at 14.

<sup>122</sup> In this regard, we further note that the CE-2 PPAs are structured in a way that the Company only pays a per MWh cost based on the actual output of the facilities, which shields customers from performance risk associated with CE-2 PPAs. See, e.g., Consumer Counsel's Post-Hearing Brief at 9-10.

<sup>123</sup> See, e.g., Ex. 20 (McMillan Direct) at 2, 4-13; Ex. 21 (Frost Direct) at 3-7.

<sup>124</sup> Our approval and findings herein are limited to the CE-2 PPAs. Exercise of a purchase option pursuant to any one of the approved CE-2 PPAs would, of course, necessitate separate CPCN approval from the Commission.

<sup>125</sup> Ex. 53 (Lecky Rebuttal) at 4. Dominion asserts that it would instead provide project-specific details as needed for review and audit through the discovery process. *Id.*

Sebera	EG-DEV-PRG-2022-A
Solidago	EG-DEV-IOW-2022-A
Sweet Sue	EG-DEV-KWM-2022-A
Walnut	EG-DEV-KQN-2022-A
Winterberry	EG-DEV-GLO-2022-B
Winterpock	EG-DEV-CHE-2022-A
<b>CE-2 Solar and Storage Project</b>	
Dulles	EG-DEV-LDN-2022-A
<b>CE-2 Storage Project</b>	
Dry Bridge	ES-DEV-CHE-2022-A

Certificate No. ET-DEV-GVL-2022-A which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Greensville County, all as shown on the detailed map attached to the Certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00146; Certificate No. ET-DEV-GVL-2022-A cancels Certificate No. ET-DEV-GVL-2021-A issued to Virginia Electric and Power Company on July 27, 2021, in Case No. PUR-2020-00269.

(3) The CE-2 PPAs are found to be prudent as set forth herein.

(4) The Company forthwith shall file a revised Rider CE and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(5) Rider CE, as approved herein, shall be effective for usage on and after May 1, 2022.

(6) On or after September 15, 2022, the Company shall file its next RPS Filing and its application to revise Rider CE.

(7) This case is dismissed.

### CASE NO. PUR-2021-00151 JULY 19, 2022

#### APPLICATION OF VIRGINIA ELECTRIC AND POWER COMPANY

For approval of five voluntary tariffs to support transportation electrification, pursuant to § 56-234 A of the Code of Virginia

#### ORDER APPROVING TARIFFS

On July 23, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval, pursuant to Code § 56-234 A and Rule 80 A of the Commission's Rules of Practice and Procedure,<sup>1</sup> of five new voluntary companion tariffs to support transportation electrification in Virginia. Specifically, the Company seeks approval of three tariffs to provide mechanisms for customers to work with the Company to install electric vehicle ("EV") charging infrastructure at customers' premises ("Charging Tariffs") and two tariffs to establish rates for the Company to charge the public for EV charging at Company-owned and operated public charging stations ("Pricing Tariffs").<sup>2</sup>

In support of its Application, Dominion states that EV adoption continues to increase across the country and in Virginia, largely due to advancements in battery technology, additional EV model availability, declining costs, policy developments, and benefits provided to customers and the environment.<sup>3</sup> The Application states Dominion customers have sought guidance and advisory support from the Company for charging infrastructure and installation, including requests for guidance on how customers can electrify their fleets.<sup>4</sup> The Company asserts that the Charging Tariffs will allow the

<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> Application at 1.

<sup>3</sup> *Id.* at 2.

<sup>4</sup> *Id.* at 3.

Company to provide customers with near-term turnkey solutions.<sup>5</sup> Dominion further states that it does not currently own or operate any charging stations available to the public, but the Company intends to provide this service in the future to fill any identified gaps in charging availability, such as on secondary highways or in disadvantaged communities.<sup>6</sup> The Company asserts that the Pricing Tariffs will allow the Company to provide such service.<sup>7</sup>

The Application states that the three Charging Tariffs include one to support the Company's non-residential customers who wish to electrify their fleets ("Fleet Charging Tariff"); one to support the Company's non-residential customers who wish to provide Level 2 charging at their premises ("Level 2 Charging Tariff"), such as workplaces, multifamily communities, or retail establishments; and one to support the Company's residential customers who wish to have Level 2 charging installed in their homes ("Residential Charging Tariff").<sup>8</sup> The Company proposes participation limits for each Charging Tariff to ensure that availability is limited and will complement investment being made by the private sector.<sup>9</sup> Specifically, the Company proposes the following participation limits on the Charging Tariffs: 165 customers in the Fleet Charging Tariff; 100 customers in the Level 2 Charging Tariff; and 1,000 customers in the Residential Charging Tariff.<sup>10</sup> The Company states further that the Residential Charging Tariff and the Level 2 Charging Tariff include incentives for the deployment of charging infrastructure to low-income customers and in low-income communities and communities of color.<sup>11</sup> The Application also states that the Fleet Charging Tariff and the Level 2 Charging Tariff both cover a portion of the costs of EV supply infrastructure.<sup>12</sup> The Company estimates the total program cost for these incentives and carveouts is approximately \$18.7 million.<sup>13</sup>

The Application requests approval of two Pricing Tariffs, one to establish a rate for public fast charging ("DCFC Pricing Tariff") and one to establish a rate for Level 2 charging ("Level 2 Pricing Tariff").<sup>14</sup> The Company states that the rates for the DCFC Pricing Tariff and the Level 2 Pricing Tariff are based on the estimated costs for installation, operation, and maintenance of the charging station, plus the rate for services under the Company's Rate Schedule GS-2.<sup>15</sup> Additionally, the Company asserts that rates are comparable to third-party rates in Virginia.<sup>16</sup>

On August 17, 2021, the Commission issued an Order for Notice and Comment that, among other things, required Dominion to publish notice of its Application; provided interested persons an opportunity to comment on the Application, file a notice of participation as a respondent, or request that a hearing be convened; directed the Commission's Staff ("Staff") to investigate the Application and present its findings and recommendations in a report ("Staff Report"); and permitted Dominion to file a response to the Staff Report, comments from interested persons, and requests for hearing.

On October 10, 2021, Dominion filed a motion ("Motion") to accept proof of notice and service. In its Motion, Dominion stated that due to an administrative oversight, it did not serve local officials by the September 22, 2021 deadline for doing so but served local officials on October 7, 2021.<sup>17</sup> The Company asserted that the two-week delay in serving local officials should not prejudice local officials, as interested persons had until November 4, 2021, to file written comments, notices of participation, and requests for hearings.<sup>18</sup>

The Commission received comments, notices of participation, and requests for hearing from various entities. Specifically, Chargepoint, Inc. ("ChargePoint"); Appalachian Voices; the Sierra Club and the Natural Resources Defense Council (collectively, "Sierra Club-NRDC"); the Virginia Department of Energy; the Alliance for Transportation Electrification; the County of York, Virginia; and Weave Grid, Inc., filed comments on the Application. Sierra Club-NRDC; ChargePoint; the Board of Supervisors of Culpeper County, Virginia; and Appalachian Voices filed notices of participation. Sierra Club-NRDC and Appalachian Voices also requested a hearing.<sup>19</sup>

Staff filed its Staff Report on December 1, 2021. Dominion filed its responses to the Staff Report, to comments from interested persons, and to the requests for hearing on December 15, 2021.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 4.

<sup>9</sup> *Id.*

<sup>10</sup> Direct Testimony of Nathan J. Frost ("Frost Direct"), Schedule 1 at 2; Schedule 2 at 2; and Schedule 3 at 1.

<sup>11</sup> Application at 5-6.

<sup>12</sup> Application at 6.

<sup>13</sup> *Id.* The Application states that if the Commission considers these incentives to be promotional allowances as defined in the Rules Governing Utility Promotional Allowances ("Promotional Allowance Rules"), 20 VAC 5-303-10 *et seq.*, the Company requests a waiver of the Promotional Allowance Rules because the Charging Tariffs are just and reasonable, align with the policies of the Commonwealth, and are in the public interest. *Id.* at 6-7.

<sup>14</sup> *Id.* at 7.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> Motion at 2.

<sup>18</sup> *Id.*

<sup>19</sup> Sierra Club-NRDC filed a request for hearing on October 22, 2021. In its November 4, 2021 comments, Appalachian Voices requested a hearing "if the Commission does not deny the [A]pplication on its face." Comments of Appalachian Voices at 1.

On January 26, 2022, the Commission entered an Order that assigned a Hearing Examiner to conduct further proceedings in this matter on behalf of the Commission, including presiding over a public hearing on the Application and filing a final report.

On April 8, 2022, Dominion, Sierra Club-NRDC, and ChargePoint filed a Proposed Stipulation and Recommendation ("Stipulation"). The Stipulation states that Appalachian Voices did not join in the Stipulation other than with respect to Paragraph (9), regarding a hearing not being necessary, but did not oppose the Stipulation.<sup>20</sup> The Stipulation also states that Culpeper County neither joined nor opposed the Stipulation.<sup>21</sup> On April 12, 2022, Staff filed a letter response to the Stipulation stating that it does not request a hearing in this, or take a position on the Stipulation. Moreover, Staff stated it maintains its positions set forth in the Staff Report.

On May 2, 2022, the Hearing Examiner issued the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"). In his Report, the Hearing Examiner found the following:

1. No opposition or other response was filed to Dominion's October 22, 2021 Motion to Accept Proof of Notice and Service.
2. A hearing is no longer requested by any case participant or necessary.
3. Dominion's Pricing Tariffs, as modified by the Stipulation, are just and reasonable and would allow Dominion to provide electric charging service, as permitted by Code § 56-1.2:1.
4. Directing Dominion to initiate a future proceeding based solely on the number of volunteers for fully discounted infrastructure under the Charging Tariffs - as proposed by Stipulation Paragraph (6) - could fail to recognize the balancing of public interest considerations associated with limiting the number of customers eligible to receive such discounts.
5. Dominion's Charging Tariffs, as modified by the Stipulation, are otherwise just and reasonable to the extent the Commission finds the specific levels of proposed participation caps, carveouts, and incentives to be just and reasonable.<sup>22</sup>

Accordingly, the Hearing Examiner recommended that the Commission enter an order that (1) adopts the findings of the Report; (2) grants Dominion's Motion; and (3) approves the proposed Stipulation, in part, subject to the findings and recommendations contained in the Report.<sup>23</sup>

On May 16, 2022, Dominion, Staff, and Sierra Club-NRDC filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Pricing Tariffs, as modified by the Stipulation, should be approved and that the Charging Tariffs, as modified by the Stipulation, should be approved. We also find that the Company's Motion should be granted.

House Bill 2282 ("HB 2282") describes the policy of the Commonwealth regarding transportation electrification as follows:

It is the policy of the Commonwealth that transportation electrification will reduce dependence on petroleum, improve air quality and public health, reduce vehicle fueling costs, and reduce emissions of greenhouse gases from the transportation sector. To achieve these goals, among other steps, it is necessary to ensure there is adequate electric vehicle charging infrastructure deployed throughout the Commonwealth. It is further the policy of the Commonwealth to promote, to the greatest extent possible, private competition and investment in transportation electrification and to enable public utilities and the public sector to complement such private investment where most effective.<sup>24</sup>

HB 2282 also addresses the appropriate cost recovery mechanism for the costs of transportation electrification as follows:

Beginning July 1, 2021, any approved costs of any investor-owned electric utility associated with investment in transportation electrification, other than those costs approved prior to July 1, 2021, shall be recovered only through the utility's rates for generation and distribution, shall not be recovered through a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 of the Code of Virginia, and shall not be eligible for a customer credit reinvestment offset pursuant to subdivision A 8 d of § 56-585.1 of the Code of Virginia. To the extent that the provisions of this act are inconsistent with the provisions of § 56-585.1 of the Code of Virginia, the provisions of this act shall control.<sup>25</sup>

Code § 56-234 A provides, in part, that "[i]t shall be the duty of every public utility to furnish reasonably adequate service and facilities at reasonable and just rates to any person, firm or corporation along its lines desiring same."

The Commission finds that the Pricing Tariffs, as modified by the Stipulation, are just and reasonable and that the Charging Tariffs, as modified by the Stipulation, are just and reasonable. We further find that the tariffs approved herein are consistent with the policy of the Commonwealth set forth in HB 2282.

<sup>20</sup> Stipulation at 1.

<sup>21</sup> *Id.*

<sup>22</sup> Report at 21.

<sup>23</sup> *Id.*

<sup>24</sup> 2021 Special Session I Va. Acts ch. 268, Enactment Clause 1, § 1.

<sup>25</sup> 2021 Special Session I Va. Acts ch. 268, Enactment Clause 1, § 2 (codified as Code § 56-585.1:13).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Next, we turn to the terms of the Stipulation. Specifically, the Hearing Examiner did not recommend approval of Paragraph (6) of the Stipulation "to the extent it contemplates the Commission affirmatively directing Dominion to initiate a future proceeding based on the sole consideration of participation."<sup>26</sup> Paragraph (6) of the Stipulation states the following:

6. Additional Incentives for Low-Income Communities, Communities of Color, and Low-Income Customers under the Charging Tariffs: Within six months of hitting the cap for incentives for customers located in a low-income community or community of color (Fleet and Level 2 Charging Tariffs) or for low-income customers (Residential Charging Tariff), the Company will seek approval from the Commission to offer additional incentives.<sup>27</sup>

The Hearing Examiner found that "[d]irecting Dominion to initiate a future proceeding based solely on the number of volunteers for fully discounted infrastructure under the Charging Tariffs—as proposed by Stipulation Paragraph (6)—could fail to recognize the balancing of public interest considerations associated with limiting the number of customers eligible to receive such discounts."<sup>28</sup> The Hearing Examiner reasoned that "[t]he initiation of any future proceeding for the purpose of tariff revisions—including, but not limited to, a proposal to expand the availability of the most generous incentives offered (*i.e.*, 100% discounts)—could be informed by the type of detailed information on cost and usage that would be collected and regularly reported pursuant to the Stipulation—rather than merely by participation levels alone."<sup>29</sup>

In response, the Company disagreed that Stipulation Paragraph (6) contemplates an affirmative direction from the Commission to take any specific action.<sup>30</sup> Dominion acknowledged that approval of the Stipulation would not change the standard of review for any future request for a tariff revision and that the Company would bear the burden of demonstrating the reasonableness of such a revision based on the facts at the time of any future proposal.<sup>31</sup> Sierra Club-NRDC agreed that "Paragraph (6) of the Stipulation merely ensures that the Commission will have an opportunity to balance the relevant 'public interest considerations' and decide—based on a record compiled by interested stakeholders—whether those factors weigh in favor of expanding carveouts for disadvantaged communities."<sup>32</sup>

The Commission will approve the Stipulation in full. In doing so, however, the Commission is not limiting the reasons for which the Company could seek tariff revisions to modify, amend, or expand the program or apply for additional programs. Any decisions in future cases will be based on the record developed in those cases.

Accordingly, IT IS ORDERED THAT:

- (1) The Stipulation, attached hereto as Attachment A, is hereby approved.
- (2) The Pricing Tariffs, as modified by the Stipulation, are hereby approved.
- (3) The Charging Tariffs, as modified by the Stipulation, are hereby approved.
- (4) The Company shall forthwith file the Pricing Tariffs and supporting workpapers with the Clerk of the Commission and submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Order Approving Tariffs. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (5) The Company shall forthwith file the Charging Tariffs and supporting workpapers with the Clerk of the Commission and submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Order Approving Tariffs. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (6) The Pricing Tariffs, as approved herein, shall become effective for usage on and after the first day of the month that is at least 15 days following the date of this Order Approving Tariffs.
- (7) The Charging Tariffs, as approved herein, shall become effective for usage on and after the first day of the month that is at least 15 days following the date of this Order Approving Tariffs.
- (8) The Company's Motion is hereby granted.
- (9) This case is continued.

NOTE: A copy of Attachment A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>26</sup> Report at 20.

<sup>27</sup> Stipulation at 4.

<sup>28</sup> Report at 21.

<sup>29</sup> *Id.* at 20.

<sup>30</sup> Dominion Comments at 6-7.

<sup>31</sup> *Id.* at 7.

<sup>32</sup> Sierra Club-NRDC Comments at 2.

**CASE NO. PUR-2021-00154  
MARCH 3, 2022**

APPLICATION OF  
VIRGINIA-AMERICAN WATER COMPANY and AMERICAN WATER WORKS SERVICE COMPANY, INC.

For approval of a services agreement under Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING AND DENYING IN PART**

On July 26, 2021, Virginia-American Water Company ("VAWC" or the "Utility") and American Water Works Service Company, Inc. ("Service Company") (collectively "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") to request renewed approval of: (1) a services agreement ("1989 Agreement");<sup>1</sup> and (2) a Laurel Oaks Properties, LLC ("LOP") procurement arrangement ("LOP Arrangement") and multiple Service Company leasing arrangements ("Leasing Arrangements") with other affiliates ("Affiliates") under Chapter 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code").<sup>3</sup>

On September 17, 2021, the Commission issued an Order Granting Approval<sup>4</sup> to renew approval of the 1989 Agreement, LOP Arrangement, and Leasing Arrangements subject to certain requirements listed in the Appendix attached to the September Order.

On October 7, 2021, the Applicants filed a Petition for Partial Reconsideration ("Petition") requesting that the Commission reconsider its September Order and remove Appendix Requirements Nos. 1 and 2 of the September Order ("Appendix Requirements"), which are stated below.

- (1) The Commission shall require the 1989 Agreement to be updated: (a) to remove the "without limitations" clause and (b) to provide a comprehensive list and description of all cost-causative factors used to allocated Service Company costs to the Utility.
- (2) VAWC shall provide a formal acknowledgement ("Acknowledgement") that the Commission regulates recovery of all Pass-Through Service costs that pass from the Affiliates through the Service Company to VAWC, and the Commission must be able to determine the amount of such costs that are includible in the Utility's cost of service. Such Acknowledgement shall be filed with the executed copy of the approved 1989 Agreement.

The Applicants made three statements to support their Petition. First, the Applicants state that the Commission's authority and the Code supersede the "without limitations clause," which makes its removal unnecessary. Second, the Applicants assert that the complete list of the cost-causative factors used by the Service Company to allocate the costs governed by the 1989 Agreement is expressly identified in the 1989 Agreement. Third, the Applicants state that revising the 1989 Agreement is inefficient and potentially detrimental to Virginia customers.

On October 8, 2021, the Commission issued an Order Granting Reconsideration<sup>5</sup> that suspended the September Order and continued the case, and on October 14, 2021, the Commission issued an Order Directing Additional Pleadings<sup>6</sup> by the Staff of the Commission ("Staff") and the Applicants.

On October 19, 2021, the Staff filed a Response to the Applicants' Petition ("Staff Response"). Staff recommended retention of the Appendix Requirements. Staff stated that the 1989 Agreement was missing terms and definitions and included the problematic "without limitations" language, which could permit the Applicants to add Services without prior approval. Staff also asserted that the Acknowledgement: (1) facilitated Staff's ability to audit and verify Pass-Through Service ("PTS") costs; (2) reduced VAWC's cost recovery risk of not meeting the Affiliates Act's statutory requirement for "satisfactory proof of costs"; and (3) has significant case precedent.

<sup>1</sup> The 1989 Agreement was executed on January 1, 1989.

<sup>2</sup> Code § 56-76 *et seq.* ("Affiliates Act").

<sup>3</sup> See *Application of Virginia-American Water Company and American Water Works Service Company, Inc., For approval of a Service Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00080, 2016 S.C.C. Ann. Rpt. 441, Order Granting Approval (Oct. 26, 2016).

<sup>4</sup> See *Application of Virginia-American Water Company and American Water Works Service Company, Inc., For approval of a services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2021-00154. Doc. Con. Cen. No. 210946007, Order Granting Approval (Sept. 17, 2021) ("September Order").

<sup>5</sup> See *Application of Virginia-American Water Company and American Water Works Service Company, Inc., For approval of a services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2021-00154. Doc. Con. Cen. No. 211010188, Order Granting Reconsideration (Oct. 8, 2021).

<sup>6</sup> See *Application of Virginia-American Water Company and American Water Works Service Company, Inc., For approval of a services agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2021-00154. Doc. Con. Cen. No. 211020197, Order Directing Additional Pleadings (Oct. 8, 2021).



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On October 27, 2021, the Applicants filed a reply to the Staff Response ("Applicants' Reply") largely reiterating the positions it took in the Petition. Applicants note that they had never attempted to add services without prior approval and that the 1989 Agreement had been approved at various points by the Commission since its adoption.<sup>7</sup> Regarding the cost-causative factors, Applicants argue that specific inclusion of the factors in the Agreement would be unwieldy, as the factors may change from time to time, which would necessitate fresh filings for approval with each such instance.<sup>8</sup> Finally, Applicants argue that the Acknowledgement language requested by Staff has no legal effect and is not necessary for Staff to have adequate access to the Applicants' records.<sup>9</sup>

NOW THE COMMISSION, upon consideration of this matter and having considered the pleadings herein, is of the opinion and finds that the Petition shall be, and is, granted in part and denied in part, as follows.

First, we grant in part the Applicants' request to strike Appendix Requirement No. 1(a) to remove the "without limitations" clause from the 1989 Agreement. The majority of the terms and conditions of the 1989 Agreement are unchanged since its initial execution, and we will not require the Applicants to incur the time and expense of redrafting an agreement that remains largely intact.

We do, though, see a need to bring the 1989 Agreement more closely into compliance with the Commission's regulatory standards. The Commission has for many years disallowed open-ended clauses such as "miscellaneous or other services" or "without limitation" in its Affiliates Act orders. That has not prevented utilities from inadvertently relying on an approved agreement without checking the related Affiliates Act order for regulatory limitations. Therefore, we have adopted stronger measures in some situations.

Based on the facts and circumstances of this case, we direct the Applicants to prepare and file with the Clerk of the Commission a Virginia-specific addendum ("Addendum") to the approved and executed 1989 Agreement, stating the following:

- (a) For Virginia regulatory purposes, the Service Company will not provide any Services to VAWC beyond those specifically listed in the 1989 Agreement without prior Commission approval. If the Commission later approves new Services, such additional Services must be separately listed in the Addendum.

Second, we grant in part the Applicants' request to strike Appendix Requirement No. 1(b) to provide a list of supplemental cost-causative factors. The Applicants have offered to include the Service Company's cost allocation manual ("CAM"), which contains a list and description of the Tier 1 and Tier 2 allocation bases and supplemental cost causative factors that are at issue here, in future 1989 Agreement Affiliates Act applications.<sup>10</sup>

We note, though, that the 1989 Agreement itself does not make any reference to the CAM or to any supplemental cost causative factors set out therein. Based on the facts and circumstances of this case, we find that in order to link the 1989 Agreement with the CAM without revising the 1989 Agreement's basic form, we direct the Applicants to state expressly in the Addendum that:

- (b) For Virginia regulatory purposes, the Applicants' most recent Cost Allocation Manual is incorporated by reference to the 1989 Agreement.

As the Addendum is specifically limited to Virginia regulatory purposes and does not change the Services provided, the allocation factors used, or the prices charged under the approved 1989 Agreement, the Addendum should have a minimal effect on the Applicants.

Finally, we will deny the Applicants' Petition to remove the Acknowledgement requirement. The Acknowledgement facilitates Staff's ability to audit and verify third-party affiliate PTS costs, which have become an ever-increasing issue as utility holding company structures continue to grow in size and complexity. The Acknowledgement also reduces VAWC's cost recovery risk of not meeting the Affiliates Act statutory requirement of "statutory proof of costs" for such PTS costs. We further note that both the Acknowledgement and the companion PTS cost report requirement have considerable case precedent.

Accordingly, IT IS ORDERED THAT:

- (1) The Applicants' Petition is granted in part and denied in part, as described herein.
- (2) The September Order Appendix Requirement No. 1 is removed. In its place, the Applicants are directed to file a Virginia-specific Addendum to the 1989 Agreement, which incorporates the language set out above.
- (3) The September Order Appendix Requirement No. 12 is revised to state:
 

VAWC shall file a copy of the approved and executed 1989 Agreement and attached Addendum within 60 days after the effective date of the order granting approval in this case, subject to administrative extension by the UAF Director.
- (4) The remainder of the September Order Appendix Requirements are approved.
- (5) The September Order is modified as set forth herein and no longer suspended.
- (6) This case is dismissed.

<sup>7</sup> Applicants' Reply at 2-3.

<sup>8</sup> Applicants' Reply at 7.

<sup>9</sup> Applicants' Reply at 8-10.

<sup>10</sup> We rely on the Applicants' offer in making our finding here.

**CASE NO. PUR-2021-00171  
MAY 25, 2022**

APPLICATION OF  
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For an adjustment of electric base rates

**FINAL ORDER**

On August 31, 2021, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") requesting authority to adjust its electric base rates pursuant to Chapter 10 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities.<sup>2</sup>

On September 23, 2021, the Commission issued an Order for Notice and Hearing that, among other things, (i) suspended the Company's proposed increase in rates until the Commission entered its Final Order in this proceeding; (ii) required the Company to provide notice of its Application; (iii) provided any interested person an opportunity to file comments on the Application or to participate in the case as a respondent by filing a notice of participation; (iv) scheduled a telephonic hearing for the receipt of testimony from public witnesses on the Company's Application; (v) scheduled a public evidentiary hearing to receive the testimony and evidence of the Company, any respondents, and the Staff of the Commission ("Staff"); and (vi) appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission, including filing a final report.

On November 5, 2021, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation. On November 12, 2021, Appalachian Voices filed a notice of participation. On January 7, 2022, Consumer Counsel and Appalachian Voices prefiled testimony in accordance with the Commission's Order for Notice and Hearing.<sup>3</sup> On January 18, 2022, Appalachian Voices filed a motion requesting leave to file supplemental testimony accompanied by the supplemental testimony of its witness, Justin Barnes.<sup>4</sup> On January 21, 2022, KU/ODP filed a motion requesting leave to file supplemental testimony accompanied by the supplemental testimony of its witness Andrea M. Fackler.<sup>5</sup>

On February 11, 2022, Staff filed its testimony addressing the issues raised in the Company's Application including those related to rate design; the Company's terms and conditions for tariffed service in Virginia; AMI; DSM;<sup>6</sup> accounting adjustments; depreciation; return on equity ("ROE"); and overall cost of capital, resulting in a recommended increase in revenue lower than the increase proposed by KU/ODP.<sup>7</sup>

On March 1, 2022, KU/ODP filed rebuttal testimony in which the Company described points of agreement and dispute with the prefiled testimony of Staff, Consumer Counsel, and Appalachian Voices.<sup>8</sup>

On March 11, 2022, KU/ODP, Staff, and Appalachian Voices ("Stipulating Participants") filed a Partial Stipulation and Recommendation ("Partial Stipulation")<sup>9</sup> and Joint Motion to Accept Stipulation and Recommendation. Although not a signatory to the Partial Stipulation, Consumer Counsel supported Commission approval of the Partial Stipulation.<sup>10</sup> The Stipulating Participants recommend that the Commission approve increasing KU/ODP's operating revenues by \$6.5 million, effective for service rendered on and after June 1, 2022, as a fair, just, and reasonable resolution of the revenue requirement and cost of capital issues in this proceeding.<sup>11</sup> The Partial Stipulation provides that the recommended increase in operating revenues was the product of compromise and settlement based upon the evidence in the record and represented a settlement as to a specific revenue number, but not on a specific determination of ROE, accounting adjustments, or ratemaking methodologies, except as otherwise provided therein.<sup>12</sup>

<sup>1</sup> Code § 56-232 *et seq.*

<sup>2</sup> 20 VAC 5-204-5 *et seq.*

<sup>3</sup> Ex. 16 (Watkins Direct) (opposing KU/ODP's proposed increase to the residential basic service charge); Ex. 14 (Barnes Direct) (addressing KU/ODP's proposals regarding the residential basic service charge, Advanced Metering Infrastructure ("AMI"), energy efficiency and demand side management ("DSM"), and the Company's cost of service methodology).

<sup>4</sup> Ex. 15 (Barnes Supplemental).

<sup>5</sup> Ex. 12 (Fackler Supplemental).

<sup>6</sup> *See* Ex. 20 (Boehnlein Direct).

<sup>7</sup> *See* Ex. 17/17C (Gerner Direct); Ex. 18 (Gleason Direct); Ex. 19 (Hunt Direct).

<sup>8</sup> *See* Ex. 21 (Arbough Rebuttal); Ex. 22 (Bellar Rebuttal); Ex. 23 (Bevington Rebuttal); Ex. 24 (Conroy Rebuttal); Ex. 25 (Fackler Rebuttal); Ex. 26 (Garrett Rebuttal); Ex. 27 (McKenzie Rebuttal); Ex. 28 (Wilson Rebuttal).

<sup>9</sup> *See* Ex. 29 (Partial Stipulation).

<sup>10</sup> *See* Tr. 20.

<sup>11</sup> Ex. 29 (Partial Stipulation) at 1.

<sup>12</sup> *Id.* at 1-2.

The Partial Stipulation further provides that an ROE of 9.40% will be used to evaluate earnings for purposes of the Commission's review of earnings tests filed under Code § 56-234.2 and an ROE range of 9.00% to 10.00% will be used for purposes of the Commission's review of going-forward earnings filed under the Commission's Rules Governing Rate Applications and Annual Informational Filings, 20 VAC 5-201-10 *et seq.*,<sup>13</sup> beginning in the 2022 calendar year and continuing thereafter until KU/ODP's ROE is changed by the Commission.<sup>14</sup>

The Partial Stipulation also provides that the terms and conditions and special charges proposed in KU/ODP's tariffs are reasonable and should be approved, and that the residential basic service charge will remain at \$12.00 per month as of the change of base rates on June 1, 2022.<sup>15</sup>

Under the Partial Stipulation, KU/ODP is required to file a comprehensive DSM plan and surcharge by June 1, 2023, in which the Company will propose DSM programs targeting at least a 0.02% decrease in total retail jurisdictional sales, and (1) will not include revenues from a Lost Sales component; (2) will address future Evaluation, Measurement, and Verification plans; and (3) will include a low-income customer program similar to the WeCare program Kentucky Utilities Company offers customers in Kentucky.<sup>16</sup> KU/ODP also commits to initiate the stakeholder process for the DSM plan within 30 days following the Final Order in this case.<sup>17</sup>

Under the Partial Stipulation, the Stipulating Participants agree that KU/ODP will propose Time of Day rates for Residential Service ("RS") and General Service ("GS") customers in Virginia in its next base rate case application; that such rates will be similar to the Time of Day rates Kentucky Utilities Company currently offers RS and GS customers in Kentucky with an AMI meter; and that KU/ODP's proposal to roll out AMI beginning in 2024 is reasonable and does not require a Commission-issued certificate of public convenience and necessity.<sup>18</sup>

The Partial Stipulation further states that coal combustion residuals ("CCR") amortization expense associated with active plants will be fully amortized for booking and ratemaking purposes by May 31, 2041; amortization expense will be prospectively reviewed and adjusted every two years as appropriate to ensure that such costs will be fully amortized for booking and ratemaking purposes by May 31, 2041; and amortization of CCR costs associated with retired plants will be completed for booking and ratemaking purposes by May 31, 2022.<sup>19</sup>

The Partial Stipulation further provides that for Generally Accepted Accounting Principles ("GAAP") purposes, depreciation expense for Brown Unit 3 will be booked effective July 1, 2021.<sup>20</sup> The Stipulating Participants further agree that the issue of whether a regulatory asset for Brown Unit 3 depreciation expense from July 1, 2021, to May 31, 2022, in the amount of \$1.6 million should be established, amortized, and recovered in future rates is reserved for hearing and decision by the Commission.<sup>21</sup>

The Senior Hearing Examiner convened the hearing on March 17, 2022.<sup>22</sup> KU/ODP, Appalachian Voices, Consumer Counsel, and Staff participated in the hearing, during which the Senior Hearing Examiner received testimony from witnesses on behalf of the participants and admitted evidence on the Application.

On April 5, 2022, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") was issued. In the Report, the Senior Hearing Examiner reviewed the record, including the written comments received, and the testimony, exhibits, and statements presented by KU/ODP, Appalachian Voices, Consumer Counsel, and Staff. The Hearing Examiner found that based on the evidence received in this case, the Partial Stipulation is fair, reasonable, and in the public interest.<sup>23</sup> Additionally, the Senior Hearing Examiner found that the Company met the Commission's requirements for the establishment of a regulatory asset for the increased depreciation expense for Brown Unit 3 from July 1, 2021, through May 31, 2022.<sup>24</sup> The Senior Hearing Examiner recommended that the Commission (i) adopt the Partial Stipulation and the proposed revenue increase, revenue allocation, and rates set forth therein; and (ii) approve the establishment of a regulatory asset for the increased depreciation expense in the amount of approximately \$1.6 million for Brown Unit 3 from July 1, 2021, through May 31, 2022, subject to an annual earnings test.<sup>25</sup>

<sup>13</sup> On November 23, 2020, the Commission adopted the Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities, 20 VAC 5-204-5 *et seq.*, effective January 1, 2021. See *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter adopting new rules of the State Corporation Commission governing utility rate applications by investor-owned electric utilities*, Case No. PUR-2020-00022, 2020 S.C.C. Ann. Rept. 439, 443, Order Adopting Regulations (Nov. 23, 2020). As a result, 20 VAC 5-204-5 *et seq.* now governs investor-owned electric utilities, and 20 VAC 5-201-10 *et seq.* now governs investor-owned gas and water utilities. See *id.* at 443.

<sup>14</sup> Ex. 29 (Partial Stipulation) at 2.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* at 2-3.

<sup>17</sup> *Id.* at 3.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *Id.* at 3.

<sup>22</sup> No one signed up to testify as a public witness; therefore, the public witness hearing scheduled for March 9, 2022, was cancelled.

<sup>23</sup> Report at 1, 43.

<sup>24</sup> *Id.* at 1, 46.

<sup>25</sup> *Id.*

On April 27, 2022, KU/ODP, Staff, Appalachian Voices, and Consumer Counsel each filed comments on the Report, addressing aspects of the findings and recommendations contained therein.

NOW THE COMMISSION, upon consideration of this matter, finds as follows. The Commission finds the Partial Stipulation to be reasonable and in the public interest and therefore should be approved. Notably, the Partial Stipulation approves a revenue increase of \$6.5 million effective June 1, 2022, which is less than the \$12.2 million increase originally requested. In approving this rate increase, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the applicable laws, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

The Partial Stipulation leaves one issue to be resolved by the Commission regarding the Company's request for a regulatory asset to recover increased depreciation expense for Brown Unit 3 booked prior to the implementation of new base rates.<sup>26</sup> As discussed further below, the Commission denies the Company's requested treatment under the circumstances of this case.<sup>27</sup>

KU/ODP proposes to implement new depreciation rates in this case based on an updated depreciation study.<sup>28</sup> Among other things, the Company's proposed depreciation rates reflect an updated retirement date for Brown Unit 3 of 2028 rather than 2035.<sup>29</sup> As a result of the updated retirement date for Brown Unit 3, the depreciation rates for Brown Unit 3 have increased in the updated depreciation study.<sup>30</sup> In the Partial Stipulation, the Company agreed that for GAAP purposes, depreciation expense for Brown Unit 3 will be booked effective July 1, 2021.<sup>31</sup> The Company, however, requests the Commission approve a regulatory asset for the increased depreciation expense for Brown Unit 3 over the period of July 1, 2021, through May 31, 2022, of approximately \$1.6 million.<sup>32</sup> This 11-month period is the time between the effective booking date of the new depreciation rates and the date new base rates are scheduled to go into effect as a result of this proceeding.

The Commission has previously permitted the deferral of costs for future recovery under limited circumstances. The Commission has stated that such deferral of costs is "unusual and should be allowed for ratemaking purposes only rarely and in an extreme situation."<sup>33</sup> We also explained that "such costs are generally large and nonrecurring and may cause a utility's financial results to be materially and negatively affected when they are currently expensed."<sup>34</sup>

The Commission has a long-standing policy of requiring changes in costs, including depreciation expense, to be recorded in the appropriate accounting period coincident with the change.<sup>35</sup> The Commission is unpersuaded to permit KU/ODP to do indirectly what it is not permitted to do directly. That is, regulatory asset treatment would in effect permit the Company to delay timely implementation until a future change in base rates, contrary to the provisions of the Partial Stipulation and the Commission's long-standing policy referenced above. In this regard, "[t]he Commission previously recognized that implementing new depreciation rates as of the effective date of the study does not constitute retroactive implementation, but rather proper accounting and ratemaking."<sup>36</sup>

<sup>26</sup> Ex. 29 (Stipulation) at 3.

<sup>27</sup> The creation of a regulatory asset for separate amortization represents an exercise of the Commission's discretion.

<sup>28</sup> Ex. 9 (Garrett Direct) at 1, 23.

<sup>29</sup> *Id.* at 23-26. The Company asserts that its analysis showed that scheduled major maintenance at Brown Unit 3 in 2026 or 2027 is no longer economic or cost-effective and updating the expected economic life of Brown Unit 3 to 2028 is expected to result in cost savings to the Company's customers. Ex. 22 (Bellar Rebuttal) at 2.

<sup>30</sup> Ex. 30.

<sup>31</sup> Ex. 29 (Stipulation) at 3.

<sup>32</sup> Ex. 26 (Garrett Rebuttal) at 1-8.

<sup>33</sup> *Application of Appalachian Power Company, For an expedited increase in base rates*, Case No. PUE-1994-00063, 1996 S.C.C. Ann. Rept. 255, 257, Final Order (May 24, 1996).

<sup>34</sup> *Application of Roanoke Gas Company, For annual informational filing*, Case No. PUE-1996-00102, and, *For expedited rate relief*, Case No. PUE-1996-00304, 1998 S.C.C. Ann. Rept. 327, 330, Final Order (Aug. 6, 1998).

<sup>35</sup> See, e.g., *Application of Alpha Water Corporation, et al., For an increase in water and sewer rates*, Case No. PUE-2009-00059, 2010 S.C.C. Ann. Rept. 346, 351, Order (Oct. 29, 2010); *Application of Washington Gas Light Company and Shenandoah Gas Division of Washington Gas Light Company, For general increase in natural gas rates and charges and approval of performance-based rate regulation methodology pursuant to Va. Code § 56-235.6*, Case No. PUE-2002-00364, 2004 S.C.C. Ann. Rept. 329, 331, Order on Reconsideration (Jan. 23, 2004) ("WGL 2004 Order on Reconsideration"), *aff'd Washington Gas Light Company v. State Corporation Commission*, Record No. 040878, 2004 WL 7331918 (Va. Oct. 8, 2004) (unpublished) ("2004 WGL Opinion") ("The Commission...did not err in requiring WGL to implement new depreciation rates as of the date immediately following the most recent depreciation study.").

<sup>36</sup> *Application of Washington Gas Light Company and Shenandoah Gas Division of Washington Gas Light Company, For general increase in natural gas rates and charges and approval of performance-based rate regulation methodology pursuant to Va. Code § 56-235.6*, Case No. PUE-2002-00364, 2003 S.C.C. Ann. Rept. 383, 388-89, Final Order (Dec. 18, 2003) ("WGL 2003 Final Order") (emphasis added).

In support of its request, KU/ODP asserts that absent regulatory asset treatment, it would not be provided an opportunity to recover its prudent depreciation expense for Brown Unit 3 for the period July 1, 2021, through May 31, 2022.<sup>37</sup> We have rejected this argument in the past and continue to do so here. In so rejecting, the Commission explained that:

The fundamental problem with the Company's argument is not with the timing of the depreciation study, but rather that the Company seeks to treat depreciation expenses as fundamentally different from other types of expenses. When other expenses increase, the increase is recorded without regard to whether it is well timed for a rate case. A change in costs must be recorded in the appropriate accounting period coincident with the charge, this is true for depreciation expense as well as other costs.<sup>38</sup>

We likewise find the depreciation expense at issue herein not to be fundamentally different from other types of expenses. Changes to depreciation rates as a result of updated depreciation studies are not unusual.<sup>39</sup> Rather, the Commission expects utilities to update depreciation studies on a regular basis, and it is to be expected that the depreciation rates will change over time.

Finally in this regard, we do not find that KU/ODP's request for approval of a regulatory asset in this case is required by the Commission's prior decisions approving regulatory assets for the recovery of significant depreciation reserve deficiencies.<sup>40</sup> KU/ODP does not seek regulatory asset treatment for a depreciation reserve deficiency. Rather, KU/ODP seeks to recover, through a regulatory asset, increased depreciation expense of Brown Unit 3 for the 11-month period between the booking date of new depreciation rates and the implementation of new customer rates. As explained above, delaying implementation of new depreciation rates to coincide with a change in rates would improperly treat depreciation expense as fundamentally different from other types of expenses.<sup>41</sup>

Accordingly, IT IS ORDERED THAT:

- (1) The Partial Stipulation filed in this case is hereby approved.
- (2) KU/ODP's request for approval of a regulatory asset is denied.
- (3) KU/ODP forthwith shall file revised tariffs and terms and conditions of service with the Clerk of the Commission and with the Commission's Division of Public Utility Regulation and Utility Accounting and Finance, in accordance with the findings made herein, for service rendered on and after June 1, 2022. This shall include retaining the residential service basic service charge at the current level of \$12 per month. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).
- (4) An ROE of 9.40% shall be used to evaluate earnings for purposes of the Commission's review of earnings tests filed under Code § 56-234.2, and an ROE range of 9.00% to 10.00% shall be used for purposes of the Commission's review of going-forward earnings filed under the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities (20 VAC 5-204-5 *et seq.*), beginning with the calendar year 2022 and continuing thereafter until KU/ODP's ROE is reset by the Commission.
- (5) KU/ODP shall file a comprehensive demand DSM plan and surcharge, in accordance with the provisions of the Partial Stipulation, by June 1, 2023. KU/ODP shall initiate a stakeholder process for the DSM plan within 30 days following this Final Order.
- (6) KU/ODP's proposed roll out of AMI beginning in 2024 is reasonable and does not require a Commission-issued certificate of public convenience and necessity.
- (7) KU/ODP shall propose Time of Day rates for RS and GS customers in Virginia in its next base rate case application in accordance with the provisions of the Partial Stipulation.
- (8) KU/ODP's CCR amortization expense associated with active plants shall be fully amortized for booking and ratemaking purposes by May 31, 2041; amortization expense shall be prospectively reviewed and adjusted every two years as appropriate to ensure that such costs will be fully amortized for booking and ratemaking purposes by May 31, 2041; and amortization of CCR costs associated with retired plants shall be completed for booking and ratemaking purposes by May 31, 2022.
- (9) This case is dismissed.

<sup>37</sup> KU/ODP Comments at 6. This lack of recovery, KU/ODP asserts, "will have a material, detrimental financial impact on KU/ODP." *Id.*

<sup>38</sup> WGL 2004 Order on Reconsideration at 331, *aff'd* 2004 WGL Opinion.

<sup>39</sup> Further in this regard, the record shows that the updated depreciation study included some plant items, like Brown Unit 3, that experienced increased depreciation rates, and other plant items that experienced reduced depreciation rates over the July 2021-May 2022 period. Ex. 30. KU/ODP's proposal would not only single out one type of expense (depreciation), it would single out one depreciation expense among many (Brown Unit 3 depreciation expense) for different treatment than any other depreciation expense.

<sup>40</sup> In those cases, significant depreciation reserve deficiencies were identified in updated depreciation studies. In the 2003 WGL Final Order, for example, the Commission approved regulatory asset treatment for a significant reserve deficiency resulting from updating a depreciation study for the first time in 20 years. WGL 2003 Final Order at 389.

<sup>41</sup> In reaching this determination, we further find that neither the cost of the increased Brown Unit 3 depreciation expense (\$1.6 million), nor the motivation for changing the retirement date of Brown Unit 3 warrants a different result.

**CASE NO. PUR-2021-00187  
MARCH 3, 2022**

APPLICATION OF  
QLOOP, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On November 29, 2021, Qloop, LLC ("Qloop" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia ("Certificate"). The Company also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

On December 2, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Qloop to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On January 26, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On February 4, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.* Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to Qloop subject to the following condition: Qloop should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant a Certificate to Qloop. Further, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.<sup>2</sup>

Accordingly, IT IS ORDERED THAT:

(1) Qloop is hereby granted Certificate No. T-787 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Qloop elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(3) Qloop shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(4) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

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<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

**CASE NO. PUR-2021-00194  
MARCH 11, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Transmission Lines #2002 and #238/249 230 kV Partial Rebuild

**FINAL ORDER**

On August 19, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and certification of electric transmission facilities in Dinwiddie County, Virginia ("Application"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Through its Application, Dominion seeks approval of rebuild projects co-located within existing right-of-way ("ROW") or on Company-owned property along an approximately 1.0-mile existing transmission corridor in Dinwiddie County (the "Rebuild Project").<sup>1</sup> The Company proposes the following in the Rebuild Project:

- (a) to rebuild an approximately 1.0-mile segment of Line #2002, including replacing six existing COR-TEN<sup>®2</sup> lattice structures with six galvanized steel lattice structures of similar height and design re-using existing foundations, installing one new weathering steel 3-pole structure, and replacing the existing conductor and fiber optic shield wire;
- (b) to rebuild an approximately 1.0-mile segment of Lines #238/#249, including replacing five existing COR-TEN<sup>®</sup> lattice structures with five galvanized steel lattice structures of similar height and design re-using the existing foundations, replacing four wood 3-pole structures with four self-supporting steel 3-pole structures, and replacing the existing conductor and fiber optic shield wire; and
- (c) to perform minor related substation work at Carson Substation and perform relay resets at Locks, Clubhouse, and Poe Substations.<sup>3</sup>

Dominion states that the Rebuild Project is necessary to maintain the structural integrity and reliability of its transmission system in compliance with mandatory North American Electric Reliability Corporation ("NERC") Reliability Standards.<sup>4</sup> The Company further states that the Rebuild Project will replace aging infrastructure that is at the end of its service life in order to comply with the Company's mandatory transmission planning criteria ("Planning Criteria").<sup>5</sup> Dominion also states that demand side management ("DSM") is not a factor in this Application because of the identified need for the Rebuild Project.<sup>6</sup>

The Company states that the desired in-service date for the Rebuild Project is November 15, 2023.<sup>7</sup> The Company represents that the estimated conceptual cost of the Rebuild Project (in 2021 dollars) is approximately \$12.4 million, which includes approximately \$12.2 million for transmission-related work and \$0.2 million for substation-related work.<sup>8</sup>

Dominion represents that, because the existing ROW and Company-owned property are adequate for the proposed Rebuild Project, no permanent new ROW is required.<sup>9</sup> The Company states that, given the availability of existing ROW and the statutory preference given to the use of existing ROW, and because of additional costs and environmental impacts that would be associated with the acquisition and construction of new ROW, the Company did not consider any alternate routes requiring new ROW for the Rebuild Project.<sup>10</sup>

On September 22, 2021, the Commission issued an Order for Notice and Hearing ("Procedural Order") which, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled public witness and evidentiary hearings; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter. No comments or notices of participation were filed.

As also directed in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On November 1, 2021, the Commission received the report filed by DEQ ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. According to the DEQ Report, the Company should:

1. Conduct an on-site delineation of all wetlands and stream crossings within the Rebuild Project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams.
2. Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable.
3. Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage ("DNH") on its recommendations regarding an invasive species inventory, restoration and maintenance practices, and Rebuild Project updates.
4. Coordinate with the Virginia Outdoors Foundation for additional review if necessary.

<sup>1</sup> Ex. 2 (Application) at 2.

<sup>2</sup> COR-TEN<sup>®</sup> is a trademark of United States Steel Corporation.

<sup>3</sup> Ex. 2 (Application) at 2.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 2-3.

<sup>6</sup> *Id.* at Appendix p. 21.

<sup>7</sup> *Id.* at 4.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 5.

<sup>10</sup> *Id.*

5. Coordinate with the Department of Historic Resources ("DHR") regarding its recommendations to protect historic and archaeological resources.
6. Coordinate with the Virginia Department of Health, as necessary, regarding its recommendations to protect water supplies.
7. Follow the principles and practices of pollution prevention to the maximum extent practicable.
8. Limit the use of pesticides and herbicides to the extent practicable.<sup>11</sup>

On December 29, 2021, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated the need for the proposed Rebuild Project.<sup>12</sup> Staff therefore did not oppose the issuance of the certificate of public convenience and necessity ("CPCN") requested in the Company's Application.<sup>13</sup>

On January 12, 2022, the Company filed rebuttal testimony. In its rebuttal testimony, Dominion supported the conclusions in the Staff Report and addressed specific recommendations in the DEQ Report pertaining to permitting and/or routing, as well as environmental concerns.<sup>14</sup> The Company confirmed that it addressed the recommendation by DHR that the Company provide the distance of each resource identified by DHR from the Rebuild Project area.<sup>15</sup> Dominion also requested that the Commission reject (i) the recommendation by DCR's DNH related to the development and implementation of an invasive species management plan; and (ii) the recommendation by DEQ to consider development of an effective Environmental Management System ("EMS").<sup>16</sup> The Company asserted that it does not object to DEQ's "Summary of Recommendations" except as discussed in rebuttal testimony.<sup>17</sup>

Due to the ongoing public health concerns related to the spread of COVID-19, a hearing for the receipt of testimony from public witnesses was scheduled to be held telephonically on February 1, 2022, but was subsequently canceled when no one signed up to testify as a public witness.<sup>18</sup> The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on February 2, 2022. The Company and Staff participated at the hearing.

On February 16, 2022, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") was issued. In the Report, the Senior Hearing Examiner found: (i) the record supports the need for the Rebuild Project to meet NERC Reliability Standards and the Company's Planning Criteria, enable the Company to maintain the overall long-term reliability of its electric transmission system, and support continued economic growth in the area; (ii) the Rebuild Project will use existing ROW to the maximum extent practicable; (iii) the Rebuild Project will have no material adverse impact on scenic, environmental, or historic resources; (iv) the Company reasonably addressed comments in the DEQ Report related to permitting and/or routing submitted by DHR regarding the increased height of some of the replacement structures and the use of galvanized steel for the replacement structures; (v) the Company reasonably addressed comments in the DEQ Report related to environmental permitting and/or coordination submitted by DCR/DNH related to the development and implementation of an invasive species management plan; (vi) the Company reasonably addressed comments in the DEQ Report related to environmental permitting and/or coordination submitted by DEQ regarding the development of an effective EMS; (vii) the recommendations in the DEQ Report "Summary of Recommendations," as modified in the Report's findings, are "desirable or necessary to minimize adverse environmental impact" associated with the Rebuild Project; (viii) the Company reasonably considered the requirements of the Virginia Environmental Justice Act ("VEJA");<sup>19</sup> (ix) the Rebuild Project does not represent a hazard to public health or safety; and (x) the Company reasonably considered alternatives to the Rebuild Project, including DSM.<sup>20</sup> The Senior Hearing Examiner recommended that the Commission adopt the findings and recommendations in the Report, issue a CPCN to the Company to construct and operate the Rebuild Project, and dismiss the case.<sup>21</sup>

On February 23, 2022, the Company filed its comments to the Report in which the Company stated that it supports the Report's finding and recommendations and requested that the Commission adopt the Report and approve the Application.<sup>22</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Rebuild Project. The Commission finds that a CPCN authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

<sup>11</sup> Ex. 8 (DEQ Report) at 6.

<sup>12</sup> Ex. 7 (Dodson Direct) at Staff Report p. 18.

<sup>13</sup> *Id.*

<sup>14</sup> Ex. 9 (Weil Rebuttal) at 2.

<sup>15</sup> *Id.* at 3-5. *See* Ex. 8 (DEQ Report) at 18.

<sup>16</sup> Ex. 10 (Studebaker Rebuttal) at 2. *See* Ex. 8 (DEQ Report) at 16, 19-20.

<sup>17</sup> Ex. 9 (Weil Rebuttal) at 3; Ex. 10 (Studebaker Rebuttal) at 2.

<sup>18</sup> Tr. 5.

<sup>19</sup> Code § 2.2-234 *et seq.*

<sup>20</sup> Report at 17.

<sup>21</sup> *Id.*

<sup>22</sup> Comments at 3.



### Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

### Public Convenience and Necessity

Dominion represents that the Rebuild Project is necessary in order to maintain the structural integrity and reliability of its transmission system in compliance with mandatory NERC Reliability Standards.<sup>23</sup> The Company further represents that the Rebuild Project will replace aging infrastructure at the end of its service life in accordance with Planning Criteria and consistent with sound engineering judgment, which will enable the Company to maintain the overall long-term reliability of its transmission system.<sup>24</sup> Staff believes that the Company has adequately demonstrated that the structures supporting Line #2002 and Lines #238/#249 are at or near their end of useful life, and that continued operation of these lines in their existing condition risks negatively impacting the reliability of the transmission system.<sup>25</sup> The Commission finds that the Company has reasonably demonstrated the need for the Rebuild Project in order to continue providing reliable electric transmission service.

### Economic Development

The Commission has considered the effect of the Rebuild Project on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Rebuild Project will continue to facilitate economic growth in the Commonwealth by continuing to provide reliable electric service.<sup>26</sup>

### Rights-of-Way and Routing

Dominion has adequately considered usage of existing ROW. The Rebuild Project, as proposed, would be constructed on existing ROW, with no additional ROW required.<sup>27</sup>

### Impact on Scenic Assets and Historic Districts

As noted above, the Rebuild Project would be constructed on existing ROW already owned and maintained by Dominion. The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with DHR, and environment of the area concerned, as required by § 56-46.1 B of the Code, subject to the recommendations provided in the following section.

<sup>23</sup> See Ex. 2 (Application) at 2.

<sup>24</sup> *Id.* at 4.

<sup>25</sup> Ex. 7 (Dodson Direct) at Staff Report p. 7.

<sup>26</sup> See *id.* at Staff Report p. 13.

<sup>27</sup> See Ex. 2 (Application) at 5; Ex. 7 (Dodson Direct) at Staff Report p. 18.

### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Rebuild Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Rebuild Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild Project. This finding is supported by the DEQ Report, as nothing therein suggests that the Rebuild Project should not be constructed.

There are, however, recommendations included in the DEQ Report for the Commission's consideration. The Company opposed two of these recommendations in its rebuttal testimony.

First, Dominion requests that the Commission reject the recommendation by DCR related to development and implementation of an invasive species management plan.<sup>28</sup> The Company asserts that it "already has a robust Integrated Vegetation Management Plan . . . in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species."<sup>29</sup> The Company states that the development and implementation of a separate invasive species plan is unnecessary.<sup>30</sup> The Commission agrees with the Senior Hearing Examiner that the invasive species management plan recommended by DCR would be duplicative of the Company's Integrated Vegetation Management Plan and therefore is unnecessary.<sup>31</sup>

Second, Dominion asks the Commission to reject the recommendation by DEQ to consider development of an effective EMS.<sup>32</sup> The Company asserts that it "already has a comprehensive EMS Manual in place that ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in its environmental performance . . . ."<sup>33</sup> The Company therefore asserts that the DEQ recommendation to develop an effective EMS is unnecessary and duplicative.<sup>34</sup> We find that Dominion's existing EMS Manual achieves the purpose of this recommendation.<sup>35</sup>

Dominion also offered a clarification to DEQ's recommendation that the Company should provide the distance of seven resources that DHR believes may be moderately impacted by the Rebuild Project. The Company asserts that it has addressed this recommendation from DHR and sent the accurate distances for the seven resources.<sup>36</sup> Dominion also states that it commits to continued coordination with DHR on its recommendations for mitigation efforts for the identified seven resources.<sup>37</sup> We agree with the Senior Hearing Examiner that the Company reasonably addressed the comments submitted by DHR.<sup>38</sup>

Finally, Dominion shall be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Rebuild Project.

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<sup>28</sup> Ex. 10 (Studebaker Rebuttal) at 3.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.* at 3-4.

<sup>31</sup> Report at 15. The Company has requested, and the Commission has approved, rejection of a comparable DEQ recommendation in similar circumstances in several prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Loudoun-Ox 230 kV Transmission Line Partial Rebuild Projects*, Case No. PUR-2019-00128, 2020 S.C.C. Ann. Rept. 306, 309, Final Order (June 2, 2020); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Lockridge 230 kV Line Loop and Lockridge Substation*, Case No. PUR-2019-00215, 2020 S.C.C. Ann. Rept. 391, Final Order (Oct. 1, 2020).

<sup>32</sup> Ex. 10 (Studebaker Rebuttal) at 4-5.

<sup>33</sup> *Id.* at 4.

<sup>34</sup> *Id.*

<sup>35</sup> The Commission has previously made a similar finding in prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

<sup>36</sup> Ex. 9 (Weil Rebuttal) at 3-4.

<sup>37</sup> *Id.* at 4.

<sup>38</sup> Report at 15.

### Environmental Justice

The VEJA sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>39</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>40</sup>

We agree with the Senior Hearing Examiner that the Company reasonably considered the requirements of the VEJA.<sup>41</sup> We direct Dominion to continue to engage environmental justice communities and others affected by the Rebuild Project in a manner that allows them to meaningfully participate in the Rebuild Project development and approval process.<sup>42</sup>

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-DIN-2022-A which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Dinwiddie County, all as shown on the detailed map attached to the Certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00194; Certificate No. ET-DEV-DIN-2022-A cancels Certificate No. ET-76k issued to Virginia Electric and Power Company on March 24, 2017 in Case No. PUE-2016-00078.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Project approved herein must be constructed and in service by November 15, 2023. No later than 90 days before the in-service date approved herein, for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

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<sup>39</sup> Code § 2.2-235.

<sup>40</sup> Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, Doc. Con. Cen. No. 210210007, Final Order at 14-15 (Feb. 1, 2021).

<sup>41</sup> Report at 15.

<sup>42</sup> *Id.*; Ex. 2 (Application) at Appendix p. 109.

**CASE NO. PUR-2021-00197  
JANUARY 19, 2022**

APPLICATION OF  
B&D COMMUNICATIONS, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On September 17, 2021, B&D Communications, LLC ("B&D" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("Certificates") to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia. The Company requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). The Company also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

On October 12, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed B&D to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On November 12, 2021, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On December 15, 2021, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.*, and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq.*<sup>2</sup> Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to B&D subject to the following condition: B&D should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time.<sup>3</sup> Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.<sup>4</sup>

On December 15, 2021, B&D filed a letter stating that it waives the opportunity to file a response to the Staff Report; supports the Staff's findings in the Staff Report; and requests that the Commission grant the relief requested in its Application.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to B&D. Having considered Code § 56-481.1, the Commission finds that B&D may price its interexchange services competitively. Further, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.<sup>5</sup>

Accordingly, IT IS ORDERED THAT:

(1) B&D is hereby granted Certificate No. T-784 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) B&D is hereby granted Certificate No. TT-316A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, B&D may price its interexchange telecommunications services competitively.

(4) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If B&D elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) B&D shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(6) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(7) This case is dismissed.

<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> See Staff Report at 4.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

**CASE NO. PUR-2021-00203  
JANUARY 20, 2022**

APPLICATION OF  
NEXAMP, INC.

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On November 12, 2021, Nexamp, Inc. ("Nexamp" or "Company"), completed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia. Nexamp seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Nexamp attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>1</sup>

On November 22, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before December 7, 2021, and to file proof of service on or before December 14, 2021. On December 10, 2021, the Company filed its proof of service. Dominion filed a Notice of Participation on December 15, 2021.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before December 21, 2021. No comments were filed.

The Procedural Order also directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before January 7, 2022. On January 7, 2022, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.<sup>2</sup> Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.<sup>3</sup>

NOW THE COMMISSION, upon consideration of this matter, finds that Nexamp's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) Nexamp is hereby granted license No. SS-14 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.
- (2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>1</sup> 20 VAC 5-340-10 *et seq.*

<sup>2</sup> Report at 4-5.

<sup>3</sup> *Id.* at 5.

**CASE NO. PUR-2021-00204  
JANUARY 20, 2022**

APPLICATION OF  
IPS DEVELOPMENT VIRGINIA LLC

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On November 8, 2021, IPS Development Virginia LLC ("IPS" or "Company") completed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia. IPS seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, IPS attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>1</sup>

On November 22, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before December 6, 2021, and to file proof of service on or before December 13, 2021. On November 29, 2021, the Company filed its proof of service.

<sup>1</sup> 20 VAC 5-340-10 *et seq.*

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before December 20, 2021. On December 15, 2021, Dominion filed its Notice of Participation in this case. No comments were filed.

The Procedural Order also directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before January 6, 2022. On January 6, 2022, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.<sup>2</sup> Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.<sup>3</sup>

NOW THE COMMISSION, upon consideration of this matter, finds that the Application of IPS for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) IPS is hereby granted license No. SS-12 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>2</sup> Report at 4-5.

<sup>3</sup> *Id.* at 5.

**CASE NO. PUR-2021-00205  
MARCH 15, 2022**

APPLICATION OF  
APPALACHIAN POWER COMPANY

To increase its fuel factor pursuant to § 56-249.6 of the Code of Virginia

**ORDER ESTABLISHING 2021-2022 FUEL FACTOR**

On September 14, 2021, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") pursuant to § 56-249.6 of the Code of Virginia seeking an increase in its fuel factor. The Company proposed increasing the current fuel factor of 1.999 cents per kilowatt-hour ("¢/kWh") to 2.300¢/kWh, effective for service rendered November 1, 2021, through October 31, 2022 ("Fuel Year").<sup>1</sup>

APCo's proposed fuel factor is designed to recover its estimated Virginia jurisdictional fuel expenses during the Fuel Year of approximately \$281,296,848, which includes non-incremental costs associated with APCo's wind contracts; a credit for 75% of projected Off-System Sales margins; PJM Interconnection, L.L.C. ("PJM"), Load Serving Entity transmission losses; PJM congestion charges; 100% of incremental transmission line loss margins; and Financial Transmission Right revenues.<sup>2</sup>

The Company stated that the impact of the proposed fuel factor over the Fuel Year is an annual net revenue increase of approximately \$42 million.<sup>3</sup> APCo stated that this proposal would increase the monthly bill of a residential customer using 1,000 kWh of electricity by \$3.01, from \$117.31 to \$120.32.<sup>4</sup>

On September 23, 2021, the Commission issued an Order Establishing 2021-2022 Fuel Factor Proceeding that, among other things: (1) assigned a Hearing Examiner to conduct all further proceedings; (2) scheduled a hearing on the Company's Application;<sup>5</sup> (3) required APCo to provide public notice of its Application; and (4) directed the Company to place its proposed fuel factor into effect on an interim basis for service rendered on and after November 1, 2021.

<sup>1</sup> Ex. 2 (Application) at 1.

<sup>2</sup> Ex. 6 (Keeton Direct) at 4-5.

<sup>3</sup> Ex. 2 (Application) at 1.

<sup>4</sup> Ex. 6 (Keeton Direct) at 7.

<sup>5</sup> Due to the ongoing public health issues related to the spread of the coronavirus, or COVID-19, the procedural schedule provided for a telephonic public witness hearing for February 2, 2022, and an evidentiary hearing for February 3, 2022, either in a Commission courtroom, or by electronic means, subject to further Commission Order or Hearing Examiner's Ruling. On January 5, 2022, a Hearing Examiner's Ruling was entered directing that the February 3, 2022 hearing would be conducted virtually with no one present in the Commission's courtroom, and establishing special procedures associated with the virtual hearing.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Notices of participation were filed by: (i) Old Dominion Committee For Fair Utility Rates on October 29, 2021; (ii) Steel Dynamics, Inc., on November 12, 2021; and (iii) the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") on November 15, 2021.

On December 17, 2021, the Staff of the Commission ("Staff") filed testimony stating, among other things, that the Company's projected fuel expenses and the underlying assumptions were reasonable and Staff did not oppose the Company's forecasts for purposes of deriving the proposed 2021-2022 fuel factor.<sup>6</sup>

On January 6, 2022, APCo filed a letter advising that it would not file rebuttal testimony in this proceeding.<sup>7</sup> The Commission received no written public comments. No respondent testimony was filed in this proceeding. The evidentiary hearing was convened, as scheduled, on February 3, 2022. APCo, Consumer Counsel, and Staff participated at the hearing. While no public witnesses registered to testify telephonically on February 2, 2022, one public witness did testify the day the evidentiary hearing was conducted on February 3, 2022.

On February 11, 2022, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") was issued. After summarizing the record in this proceeding, the Senior Hearing Examiner found the record supports approval of the Company's proposed fuel factor of 2.300¢/kWh.<sup>8</sup> Accordingly, the Senior Hearing Examiner recommended that the Commission enter an order adopting the findings in the Report, approving the proposed fuel factor of 2.300¢/kWh for service rendered on and after November 1, 2021, and continuing this case generally pending an audit and investigation of the Company's actual fuel expenses.<sup>9</sup>

On February 14, 2022, Consumer Counsel filed comments stating that Consumer Counsel has no objection to the findings and recommendations contained in the Report. On February 15, 2022, the Company filed notice stating that it would not file comments and that it supports the Senior Hearing Examiner's findings. On February 15, 2022, Staff filed comments supporting the findings and recommendations contained in the Report.

NOW THE COMMISSION, upon consideration of the record herein and the applicable law, is of the opinion and finds that the findings and recommendations of the Senior Hearing Examiner should be adopted. Accordingly, we find that setting the Company's fuel factor at 2.300¢/kWh is reasonable and appropriate. We find that this rate should be approved and effective for service rendered on and after November 1, 2021, pending further order of the Commission.

We note that the fuel factor we approve herein is projected to increase, by \$3.01 per month, the bill of a residential customer using 1,000 kWh per month compared to the fuel factor rate such a customer paid during the 2020-2021 Fuel Year.<sup>10</sup> For clarification, we note that the fuel factor approved herein is the same increase that has already been effected through the Company's interim rates placed into effect on November 1, 2021. Thus, no additional increase is being approved beyond that which has already been implemented. In approving this request for an increase in the Company's fuel factor, the Commission notes its awareness of the COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Our approval of the fuel factor, however, should not be construed as approval of APCo's actual fuel expenses. No finding in this Order Establishing Fuel Factor is final, as this matter is continued pending the Staff's audit of actual fuel expenses and the Commission's entry of a final order addressing the Company's fuel recovery position. Should the Commission find that: (1) any component of APCo's actual fuel expenses or credits has been included or excluded inappropriately, or (2) APCo has failed to make every reasonable effort to minimize costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of APCo's next fuel factor proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Senior Hearing Examiner are adopted.
- (2) The proposed fuel factor of 2.300¢/kWh hereby is approved and shall be effective for service rendered on and after November 1, 2021.
- (3) This case is continued.

<sup>6</sup> See Ex. 7 (White Direct) at 8.

<sup>7</sup> Ex. 8.

<sup>8</sup> Report at 10.

<sup>9</sup> *Id.*

<sup>10</sup> Report at 8. See also Ex. 7 (White Direct) at 2; Ex. 6 (Keeton Direct) at 7.

**CASE NO. PUR-2021-00206  
JANUARY 26, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests

**ORDER ON CROSS MOTION**

On December 30, 2021, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") its petition ("2021 Petition") requesting approval of its annual plan ("RPS Plan") for the development of new solar, wind, and energy storage resources pursuant to § 56-585.5 D 4 of the Code of Virginia. APCo states that the RPS Plan was developed to comply with the mandatory renewable energy portfolio standard ("RPS") program requirements established by the Virginia Clean Economy Act.<sup>1</sup> APCo also made several additional requests related to its proposed RPS Plan, including a request for approval of a revenue requirement for RPS-related costs and a request for approval of cost recovery mechanisms for the proposed and future revenue requirements.<sup>2</sup>

The 2021 Petition is APCo's second RPS Plan filing. The Commission's Final Order in APCo's prior RPS Plan case, Case No. PUR-2020-00135, was entered April 30, 2021.<sup>3</sup> Therein, among other issues, the Commission addressed jurisdictional and class cost allocation matters as follows:<sup>4</sup>

There are no costs proposed for recovery in the instant proceeding, and thus the Commission defers making any ruling on cost allocation at this time. We will therefore leave the Company's existing jurisdictional and class allocations in place for the present. We will address the rate adjustment clause framework and cost allocation either in the Company's next RPS proceeding or, at the Commission's discretion, in a separate jurisdictional and class allocation proceeding initiated for this purpose. Should the Commission not establish a cost allocation proceeding, we direct the Company to present its proposed cost allocation methodology, along with the results of alternative cost allocation methodologies, in its next RPS filing.

The Commission did not establish a cost allocation proceeding after entry of the First RPS Plan Final Order.

Following the filing of the 2021 Petition, the Commission's Staff ("Staff") reviewed and determined, in accordance with 5 VAC 5-20-160, *Memorandum of completeness*, of the Commission's Rules of Practice and Procedure,<sup>5</sup> that the 2021 Petition is incomplete as filed. As pertinent here, Staff stated that in the 2021 Petition APCo failed to provide all the information required by the First RPS Plan Final Order, "which directed the Company to present the results of alternative cost allocation methodologies in its next RPS filing."<sup>6</sup>

Thereafter, APCo filed a Motion to Supplement Direct Testimony ("APCo Motion") and associated materials wherein the Company seeks to provide supplemental testimony to address additional rate design options in response to Staff's concern. On January 20, 2022, the Commission issued an Order on Motion wherein it provided an expedited schedule for the filing of responses and any reply to the APCo Motion.

On January 25, 2022, the Old Dominion Committee for Fair Utility Rates ("Committee") filed a notice of participation as a respondent in this case as well as a response to the APCo Motion and cross motion ("Cross Motion"), in which the Committee asks the Commission to establish a separate proceeding to consider APCo's proposals for approval of three new rate adjustment clauses ("RACs") and APCo's proposal "to assign a novel cost allocation methodology to those proposed RACs."<sup>7</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that an expedited schedule should be set for the filing of any response and/or reply to the Cross Motion.

Accordingly, IT IS ORDERED THAT:

(1) Any response to the Cross Motion shall be filed on or before January 31, 2022, with the Clerk of the Commission at: [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file responses electronically may file such responses 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 responses shall refer to Case No. PUR-2021-00206. A copy of any response shall be sent by electronic mail to Staff and all parties on the Service List in this case simultaneous with its filing with the Clerk of the Commission.

(2) At its election, the Company may file both its reply to the APCo Motion and response to the Cross Motion on or before January 31, 2022, in lieu of separately filing a reply to the APCo Motion on January 28, 2022, and a response to the Cross Motion on January 31, 2022.

<sup>1</sup> 2020 Va. Acts chs. 1193, 1194; 2021 Petition at 1.

<sup>2</sup> See, e.g., 2021 Petition at 1.

<sup>3</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Appalachian Power Company*, Case No. PUR-2020-00135, Doc. Con. Cen. No. 210440238, Final Order (Apr. 30, 2021) ("First RPS Plan Final Order").

<sup>4</sup> First RPS Plan Final Order at 9-10.

<sup>5</sup> 5 VAC 5-20-10 *et seq.*

<sup>6</sup> Memorandum of Completeness/Incompleteness at 1.

<sup>7</sup> Cross Motion at 1, 8.



(3) The Committee shall file any reply to any responses to the Cross Motion on or before February 2, 2022. A copy of any reply shall be sent by electronic mail to Staff and all parties on the Service List in this case simultaneous with its filing with the Clerk of the Commission.

(4) This matter is continued.

**CASE NO. PUR-2021-00206  
JULY 15, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests

**FINAL ORDER ON PETITION AND ASSOCIATED REQUESTS,  
AND ORDER BIFURCATING PROCEEDING**

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA"), became effective on July 1, 2020. The VCEA, *inter alia*, establishes a mandatory renewable energy portfolio standard ("RPS") for Appalachian Power Company ("APCo" or "Company") in new § 56-585.5 of the Code of Virginia ("Code"). Subdivision D 4 of Code § 56-585.5 requires APCo to submit annually to the State Corporation Commission ("Commission") a plan and associated petition requests for approval of new solar and onshore wind generation capacity ("RPS Filing"). The Commission must determine whether the RPS Filing is reasonable and prudent, giving due consideration to the following factors: (i) the RPS and carbon dioxide reduction requirements in Code § 56-585.5, (ii) the promotion of new renewable generation and energy storage resources within the Commonwealth, and associated economic development, and (iii) fuel savings projected to be achieved by the plan.<sup>1</sup> The Commission's "final order regarding any such petition and associated requests" is required by Code § 56-585.5 D 4 to be entered by the Commission not more than six months after the date of the filing of such petition.

On December 30, 2021, APCo submitted its second annual RPS Filing to the Commission ("2021 RPS Filing" or "Petition").<sup>2</sup> The 2021 RPS Filing requests the Commission:

- (i) Approve the Company's annual plan for the development of new solar, wind, and energy storage resources pursuant to Code § 56-585.5 D 4 in order to comply with the mandatory RPS Program established by the VCEA (the "2021 RPS Plan");
- (ii) Approve a revenue requirement of \$32,069,614 for the rate year of August 2022 through July 2023 ("Rate Year");
- (iii) Approve the cost recovery mechanisms to recover this and future revenue requirements related to compliance with the RPS Program;
- (iv) Determine that the purchase of one solar facility and the power purchase agreements ("PPAs") with three other solar facilities, all located in Virginia, are prudent;
- (v) Approve future cost recovery related to the acquisition of two other renewable facilities, which are not located in Virginia and will not be online during the rate year; and
- (vi) Approve the treatment of renewable energy certificates ("RECs") generated by the run of river generation component of the Smith Mountain Lake Facility.<sup>3</sup>

On February 11, 2022, the Commission issued an Order for Notice and Hearing in this case, which, among other things, scheduled an evidentiary hearing, assigned this matter to a hearing examiner for further proceedings; invited interested persons to comment or participate in this matter, and directed the Staff of the Commission ("Staff") to investigate and file testimony on APCo's 2021 RPS Filing.

Notices of participation were filed by: the Old Dominion Committee for Fair Utility Rates ("ODCFUR"); Appalachian Voices; the VML/VACO APCo Steering Committee ("Steering Committee"); the Solar Energy Industries Association and the Chesapeake Solar and Storage Association (collectively, "SEIA-CHESSA"); Steel Dynamics, Inc. ("Steel Dynamics"); Walmart Inc. ("Walmart"); the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), and Virginia Electric and Power Company ("Dominion Energy"). On March 21, 2022, ODCFUR, Walmart, and Consumer Counsel filed testimony on the Company's 2021 RPS Filing. On March 30, 2022, Staff filed the testimony of its witnesses. On April 7, 2022, the Company filed rebuttal testimony. APCo, ODCFUR, the Steering Committee, Steel Dynamics, SEIA-CHESSA, Walmart, Appalachian Voices, and Staff also filed pre-hearing briefs.

<sup>1</sup> Code § 56-585.5 D 4.

<sup>2</sup> APCo submitted corrected and supplemental information on January 7, 13, 14, 19, and 21, 2022, including a Corrected Attachment 1 to the Petition, the RPS Development Plan ("RPS Development Plan"). The Commission issued a Final Order in APCo's 2020 RPS Filing in Case No. PUR-2020-00135, *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Appalachian Power Company*, Case No. PUR-2020-00135, Doc. Con. Cen. No. 210440238, Final Order (Apr. 30, 2021) ("2020 RPS Final Order").

<sup>3</sup> See Ex. 2 (Petition) at 1.

Due to the ongoing public health issues related to the spread of the virus that causes COVID-19, a telephonic public witness hearing was scheduled for April 20, 2022, but was canceled because no public witness signed up to testify at the hearing.<sup>4</sup> The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on April 21-25, 2022. APCo, ODCFUR, Steering Committee, Appalachian Voices, Walmart, SEIA-CHESSA, Steel Dynamics, Consumer Counsel and Staff participated in the hearing.

On June 3, 2022, the Report of Mary Beth Adams, Hearing Examiner ("Report") containing the Hearing Examiner's findings and recommendations was issued. On June 21, 2022, APCo, ODCFUR, Appalachian Voices, Walmart, SEIA-CHESSA, Steel Dynamics, Steering Committee, Dominion Energy, Consumer Counsel, and Staff filed Comments to the Report.

On June 27, 2022, the Hearing Examiner issued a Ruling on a motion of Consumer Counsel ("Confidentiality Motion") challenging the Company's extraordinarily sensitive designation of certain information. On July 8, 2022, Consumer Counsel filed an objection to the Hearing Examiner's Ruling challenging the Hearing Examiner's determination with respect to twenty items of information.<sup>5</sup> Also on July 8, 2022, APCo filed a letter stating it "does not raise any objection to the information that the Hearing Examiner concluded should remain protected" and "does not raise any objection to the public disclosure of the information discussed in Section II(A) and (B) of the Ruling (the Forecasted Energy, Capacity and REC prices), and in Section VII (Miscellaneous items)."<sup>6</sup>

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows:<sup>7</sup>

#### FINAL ORDER ON PETITION AND ASSOCIATED REQUESTS

Through this Order, among other things, the Commission approves requested prudency findings pursuant to Code § 56-585.1:4 H and cost recovery pursuant to Code §§ 56-585.1 A 5 and 56-585.1 A 6 for new Company-owned facilities and Company-contracted PPAs, as discussed further below, which combined represent approximately 493 MW of new renewable generation capacity.<sup>8</sup> Moreover, APCo does not herein request approval under Code §§ 56-46.1, -265.2, and -580 D for certificates of public convenience and necessity for the new Company-owned facilities.<sup>9</sup>

The discussion below sets forth detailed analyses and findings on numerous contested issues raised in this proceeding. As always, the Commission is guided by the statutes and the record. In doing so, we have exercised the Commission's delegated discretion in a manner that faithfully implements the VCEA requirements that include carbon reduction, while best protecting consumers who expect and deserve reliable and affordable service.

For purposes of this Final Order, the Commission will address the four main components of the Company's Petition: (i) the RPS Development Plan; (ii) additional renewable resources; (iii) REC purchases; and (iv) cost recovery and revenue requirement.

#### (i) RPS Development Plan

##### *Code of Virginia*

Code § 56-585.5 D 4 provides:

In connection with the requirements of this subsection, each Phase I and Phase II Utility shall, commencing in 2020 and concluding in 2035, submit annually a plan and petition for approval for the development of new solar and onshore wind generation capacity. Such plan shall reflect, in the aggregate and over its duration, the requirements of subsection D concerning the allocation percentages for construction or purchase of such capacity. Such petition shall contain any request for approval to construct such facilities pursuant to subsection D of § 56-580 and a request for approval or update of a rate adjustment clause pursuant to subdivision A 6 of § 56-585.1 to recover the costs of such facilities. Such plan shall also include the utility's plan to meet the energy storage project targets of subsection E, including the goal of installing at least 10 percent of such energy storage projects behind the meter. In determining whether to approve the utility's plan and any associated petition requests, the Commission shall determine whether they are reasonable and prudent and shall give due consideration to (i) the RPS and carbon dioxide reduction requirements in this section, (ii) the promotion of new renewable generation and energy storage resources within the Commonwealth, and associated economic development, and (iii) fuel savings projected to be achieved by the plan. Notwithstanding any other provision of this title, the Commission's final order regarding any such petition and associated requests shall be entered by the Commission not more than six months after the date of the filing of such petition.<sup>10</sup>

<sup>4</sup> Tr. 12.

<sup>5</sup> Consumer Counsel's Objection at 28.

<sup>6</sup> APCo July 8, 2022 letter at 1.

<sup>7</sup> The Commission has fully considered the evidence and arguments in the record. See also *Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

<sup>8</sup> Ex. 2 (RPS Development Plan) at 6-7. The RPS Development Plan lists 498 MW of new resources; however, the Commission notes that the acquisition of the 5 MW Amherst solar facility was previously determined to be prudent in Case No. PUR-2021-00066. *Petition of Appalachian Power Company, For a prudency review, pursuant to § 56-585.1:4 H of the Code of Virginia, with respect to the purchase of the Amherst Solar Facility*, Case No. PUR-2021-00066, Doc. Con. Cen. No. 220230049, Final Order (Feb. 18, 2022).

<sup>9</sup> As noted below, APCo has filed, jointly with the developer, a separate application for a certificate of public convenience and necessity associated with the Firefly solar project, which is docketed as Case No. PUR-2022-00063.

<sup>10</sup> APCo is a Phase I Utility. See Code § 56-585.1 A 1.

Participants raised several concerns with the Company's RPS Development Plan.<sup>11</sup> Notwithstanding, the Commission finds that, for the limited purpose of filing its second annual plan under Code § 56-585.5 D 4, APCo's RPS Development Plan is reasonable and prudent. Subsequent annual plans, however, must continue to comply with the Commission's directives, as set forth in APCo's 2020 RPS Final Order, as modified and supplemented by the additional requirements set forth herein.

#### Modeling Assumptions and Inputs

The Commission finds that to evaluate subsequent plans and associated petition requests, future filings shall also include:

- Modeling assumptions and inputs for the Amos and Mountaineer retirements included in the Company's IRP filing should also be included in the Company's next RPS Filing. In addition, a sensitivity to select retirement of these facilities on an economic basis should be included in the Company's next RPS Filing;
- Modeling based on the historical average annual capacity factors for wind and Virginia-specific or PJM-specific solar generation resources, based on a three-year rolling average;<sup>12</sup>
- A modeling sensitivity that removes the capacity benefit from new resources through 2040;
- Modeling regarding capacity monetization that reflects, to the extent possible, the Company's actual or expected conduct. To the extent there is a deviation between APCo's actual conduct and its modeling inputs, the Company should explain the reason for such deviation;
- Modeling the most recently available Effective Load Carrying Capability guidance from PJM;
- REC modeling that includes accurate data so that the results reflect the Company's actual REC need;
- Modeling that utilizes REC banking and balancing;<sup>13</sup>
- Modeling that accurately reflects the Company's use of spot market RECs; and
- A status update on its short-term action plan for VCEA compliance in its next RPS Filing.

#### Smith Mountain Lake RECs

The Commission approves the Company's free water calculation to determine qualifying RECs generated by run of river generation from the Smith Mountain Lake Facility and the use of the associated RECs for RPS compliance.<sup>14</sup>

#### RPS Reporting Metrics

Certification of RPS compliance will commence in the Company's 2022 RPS Filing for calendar year 2021.<sup>15</sup> As directed in the 2020 RPS Final Order, APCo proposed reporting protocols associated with the RPS Program certification as part of its Petition in this case.<sup>16</sup> Specifically, APCo asserts that the reporting metrics and protocols should not vary from those established and employed in the voluntary RPS Program.<sup>17</sup> The Company proposes to report compliance annually during its annual RPS Filing. Among other things, the Company states it will include actual consumption of retail customers, adjusted for accelerated renewable buyers and the required number of RECs.

We find the compliance protocols proposed by APCo are reasonable for purposes of this first upcoming certification. We therefore direct APCo to file its compliance report with its 2022 RPS Development Plan.

<sup>11</sup> See, e.g., Ex. 47 (Norwood) at 7-10; Ex. 33 (Dalton) at 2-6; 13-40.

<sup>12</sup> We find APCo shall model the actual historical capacity performance of its wind and solar facilities as the baseline assumption; however, APCo may include its projected capacity factor as a sensitivity. Ex. 56 (Castle Rebuttal) at 17-18; Staff Comments at 4; APCo Comments at 4-5. Actual capacity factors shall be part of any future rate adjustment clause ("RAC") proceeding.

<sup>13</sup> If the Company is unable to run this sensitivity through PLEXOS, the Company shall estimate the impact of banking outside of PLEXOS to the best of its ability. Ex. 56 (Castle Rebuttal) at 19.

<sup>14</sup> Ex. 5 (Castle Direct) at 9. In addition, the Commission finds that the RECs from the Camp Grove, Fowler Ridge, and Top Hat facilities may be used for RPS compliance purposes.

<sup>15</sup> 2020 RPS Final Order at 6.

<sup>16</sup> Ex. 5 (Castle Direct) at 9.

<sup>17</sup> *Id.*

### Prospective Customer Bill Analyses

In addition, we direct the Company to continue filing a consolidated bill analysis in its RPS Filings, as directed in the 2020 RPS Final Order.<sup>18</sup> Staff recommended that prospective bill analyses should clearly distinguish between (i) resources that are, or will be, allocated to both Virginia retail and West Virginia customers; and (ii) resources whose costs and benefits are forecast to accrue entirely to Virginia retail customers. The Commission agrees and so directs.

#### (ii) Additional Renewable Resources

Code § 56-585.1 A 6 provides in part that:

To ensure the generation and delivery of a reliable and adequate supply of electricity, to meet the utility's projected native load obligations and to promote economic development, a utility may at any time, after the expiration or termination of capped rates, petition the Commission for approval of a rate adjustment clause for recovery on a timely and current basis from customers of the costs of . . . (ii) one or more other generation facilities . . . .

Code § 56-585.1 A 5 d ("Subsection A 5") further provides that:

Projected and actual costs of compliance with renewable energy portfolio standard requirements pursuant to § 56-585.5 that are not recoverable under subdivision 6. The Commission shall approve such a petition allowing the recovery of such costs incurred as required by § 56-585.5, provided that the Commission does not otherwise find such costs were unreasonably or imprudently incurred . . . .

Code § 56-585.1:4 H ("Subsection H") provides in part that:

A utility may elect to petition the Commission, outside of a triennial review proceeding conducted pursuant to § 56-585.1, at any time for a prudency determination with respect to the construction or purchase by the utility of one or more solar or wind generation facilities located in the Commonwealth or off the Commonwealth's Atlantic Shoreline or the purchase by the utility of energy, capacity, and environmental attributes from solar or wind facilities owned by persons other than the utility.

Pursuant to Subsections A 5 and A 6, the Company requests cost recovery through a RAC for the following new Company-owned or Company-contracted-for solar resources during the August 1, 2022 to July 31, 2023 rate year ("2022 Rate Year"): Amherst (Company-owned); Depot (PPA); Leatherwood (PPA); and Wytheville (PPA). The Company further seeks approval for future cost recovery for two new resources to be constructed outside Virginia and owned by APCo: Bedington (solar) and Top Hat (wind). In this regard, the Company proposes a placeholder rate of \$0.00 for the 2022 Rate Year for Bedington and Top Hat.<sup>19</sup>

Pursuant to Subsection H, the Company requests a prudency determination for the following new Company-owned or Company-contracted-for solar resources to be located in Virginia, but which will not be online during the Rate Year: Dogwood (PPA); Firefly (Company-owned);<sup>20</sup> Horsepen (PPA); and Sun Ridge (PPA).

APCo asserts that collectively these additional resources are needed to comply with the VCEA including the RPS requirements of Code § 56-585.5 C.<sup>21</sup> The record reflects that the primary value of the resource additions is the creation of RECs for purposes of complying with the RPS Program requirements.<sup>22</sup> The Company's RPS Development Plan shows, for example, even with these resource additions, absent additional RECs, APCo will experience a REC deficit from 2022 through 2025.<sup>23</sup> With respect to capacity and energy, the Petition states that there is "uncertainty regarding the role the Company's two coal facilities will play in meeting the Virginia customers' energy and capacity needs."<sup>24</sup> Although the Company's baseline assumption is that those units will retire in 2040, if they retire earlier, this would result in an earlier capacity need at the time of retirement.<sup>25</sup>

<sup>18</sup> 2020 RPS Final Order at 6.

<sup>19</sup> Ex. 2 (Petition) at 20.

<sup>20</sup> Firefly Energy LLC and APCo have also filed a separate application with the Commission for certificates of public convenience and necessity for the 150 MW Firefly solar facility and associated interconnection facilities. *Application of Firefly Energy LLC and Appalachian Power Company, For certificates of public convenience and necessity for solar generating and associated facilities in Pittsylvania County, Virginia*, Case No. PUR-2022-00063 (Application filed Apr. 27, 2022). The Company also offered evidence regarding the economic benefits of the proposed resources and the economic impacts of the Firefly project. Ex. 24 (Spaeth Direct) at 6-7; Ex. 5 (Castle Direct) at 18.

<sup>21</sup> Ex. 5 (Castle Direct) at 9-10. Company witness Castle further states that Enactment Clause 21 of the 2018 Grid Transformation and Security Act requires APCo to construct or acquire not less than 200 MW of solar sited in the Commonwealth by July 1, 2028, subject to Commission approval. 2018 Va. Acts of Assembly, Chapter 296 (Senate Bill 966). According to APCo, the Firefly and Amherst project would meet approximately 155 MW of the 200 MW requirements. Ex. 5 (Castle Direct) at 16.

<sup>22</sup> Ex. 33 (Dalton) at 54.

<sup>23</sup> Ex. 2 (RPS Development Plan) at 8-9;

<sup>24</sup> Ex. 5 (Castle Direct) at 4.

<sup>25</sup> Ex. 33 (Dalton) at 10. As directed above, the Commission has also directed herein that the modeling assumptions and inputs for the Amos and Mountaineer retirements included in the Company's IRP filing should also be included in the Company's next RPS Filing. In addition, a sensitivity to select retirement of these facilities on an economic basis should be included in the Company's next RPS Filing.

Two of the solar PPAs (Leatherwood and Wytheville) are contracted through APCo's Cogeneration and Small Power Production schedule of its tariff<sup>26</sup> and the remainder of the Company-owned and contracted-for resources were procured through a competitive request for proposals process including due diligence and contract negotiations.<sup>27</sup> While the leveled cost of energy ("LCOE") for the proposed resources varies depending on the resource, Staff witness Dalton concluded that the solar and wind resources' LCOEs are within a "zone of reasonableness" of LCOE costs within the PJM region.<sup>28</sup>

Regarding environmental justice, the Company screened each of the proposed projects for any environmental justice concerns and determined that each met the objectives of the Virginia Environmental Justice Act and none disproportionately impacts environmental justice communities as defined by Code § 2.2-234.<sup>29</sup>

In consideration of the foregoing, the Commission finds the Company's requests for approval of cost recovery under Subsections A 5 and A 6 for Amherst (Company-owned), Depot (PPA), Leatherwood (PPA), Wytheville (PPA), Bedington (Company-owned)<sup>30</sup> and Top Hat (Company-owned) should be approved, subject to true-up in a future proceeding.<sup>31</sup> The Commission further finds that the Company's request for a prudency determination under Subsection H for the Dogwood, Horsepen and Sun Ridge PPAs, as well as the Firefly facility, should be granted.

(iii) REC Purchases

The Company seeks approval to recover the projected costs of RECs purchased in the PJM REC market to meet RPS requirements during the Rate Year.<sup>32</sup> As shown in the RPS Development Plan, the Company has a need for RECs to comply with Code § 56-585.5 C.<sup>33</sup> The projected cost of the REC market purchases is based on a forward REC price forecast multiplied by the estimated number of REC market purchases.<sup>34</sup> The Commission approves the recovery of these projected costs, subject to true-up in future proceedings. In addition, APCo should provide information supporting its actual decisions to purchase, use, bank, and/or optimize RECs in its next RPS Filing.

(iv) Cost Recovery & Revenue Requirement

Legacy Resources

The Commission finds that APCo's legacy wind PPAs may be included in the RPS recovery framework as proposed by the Company. The plain language of Code § 56-585.5 F ("Subsection F") applies to "[a]ll costs incurred [by APCo] *related* to compliance with the requirements of this section ..." (emphasis added). The definition of "related" is "1 : having relationship: connected by reason of an established or discoverable relation."<sup>35</sup> Because the legacy wind PPAs will count towards the requirements of Code § 56-585.5, the Commission finds that the costs incurred therefore are indeed "related" to compliance with such requirements.<sup>36</sup>

In addition, Subsection F states that the costs falling thereunder "includ[e]" three specific categories of costs. In so doing, the General Assembly identified three categories of costs that are necessarily "related" to the compliance requirements. The plain language of Subsection F, however, does not limit the costs that may fall thereunder to *only* those three categories, nor does it prohibit the Commission from finding that specific costs falling outside of those three categories are "related" to the compliance requirements.

<sup>26</sup> Ex. 33 (Dalton) at 57-59.

<sup>27</sup> Ex. 23 (Jeffries Direct) at 8-20. The Commission will not require APCo to implement any modifications to its RFP process at this time. We strongly encourage APCo, however, to consider input from Staff and other interested parties and to continue to refine and update its RFP process to ensure the inclusion of the most economical and least environmentally invasive projects. *See e.g.*, Ex. 33 (Dalton) at 41-47.

<sup>28</sup> Ex. 33 (Dalton) at 66.

<sup>29</sup> Ex. 2 (Petition) at 21; Ex. 5 (Castle Direct) at 17-18.

<sup>30</sup> The Commission further takes judicial notice that APCo's acquisition of Bedington was approved by the Public Service Commission of West Virginia ("WVPS") on June 24, 2022. *Application for approval of the purchase of a renewable electric generating facility at an eligible site in West Virginia and for associated cost recovery pursuant to W. Va. Code sec. 24-2-1 o*, Case No. 22-0045-E-US, Commission Order (June 24, 2022). As a result, the Commission finds it unnecessary to address Consumer Counsel's recommendations regarding the assignment of the benefits of Bedington in the event the WVPS denied recovery. Ex. 47 (Norwood) at 23.

<sup>31</sup> As requested by APCo, it may implement zero rates for both Bedington and Top Hat for the Rate Year. Ex. 2 (Petition) at 20.

<sup>32</sup> Ex. 5 (Castle Direct) at 11; Ex. 24 (Spaeth Direct) at 18.

<sup>33</sup> Ex. 2 (RPS Development Plan) at 9.

<sup>34</sup> Ex. 24 (Spaeth Direct) at 18.

<sup>35</sup> Webster's Third New International Dictionary 1916 (2002).

<sup>36</sup> Moreover, the statute does not state that such costs must have been originally incurred *for the purpose* of such compliance, but rather only that such costs be "related" thereto.

Cost Recovery Framework, Net of Benefits, and Cost Allocation

There was significant discussion and dispute in this proceeding related to the Company's proposed RAC cost recovery framework for VCEA-related resources, including the allocation of costs net of benefits pursuant to Code § 56-585.5 F, and the associated proposed jurisdictional and class cost allocation of VCEA-related costs. Several parties strongly urged the Commission to establish a separate stand-alone proceeding focused on cost allocation.<sup>37</sup> The Commission agrees with the Hearing Examiner that a separate proceeding should be established to further consider the appropriate framework for cost recovery, the allocation of costs net of benefits pursuant to Code § 56-585.5 F, and class and jurisdictional cost allocation.<sup>38</sup> We will direct APCo herein to make a filing addressing these issues.

The Commission finds, consistent with principles of judicial economy, that such proceeding should also consider the following related issues: (i) the appropriate proxy values for avoided capacity costs associated with VCEA resources that are not bid into the PJM capacity market, and (ii) the appropriate proxy values for RECs to be transferred from renewable energy projects to a separate REC cost recovery mechanism. In its filing, APCo shall present alternative cost allocation methodologies for the Commission's consideration, including both jurisdictional and class cost allocation alternatives.<sup>39</sup> APCo's filing shall address the following and provide supporting analyses:

- a. How the Company's proposal complies with Code § 56-585.5 F to allocate "costs net of benefits" to customers who have elected to receive electric supply service from a supplier other than the utility.
- b. Specify the alternative cost allocation methodology, or methodologies, APCo recommends the Commission adopt.
- c. Describe how the Company proposes to allocate costs and benefits of VCEA-related resources under each of the alternatives presented. For example, does the Company propose to net benefits against costs before or after applying an allocator? Does the Company propose to use the same allocator to allocate both costs and benefits?
- d. Detail whether the Company proposes to use the same or a different allocation methodology depending on whether the resource is Company-owned or a power purchase agreement. Similarly, detail whether the Company proposes to treat all VCEA-related resources as a fleet, using the same cost allocation methodology for all of the resources, or differently, with differing cost allocation methodologies depending on the type of VCEA-related resource (*i.e.*, solar, onshore wind, offshore wind, or energy storage resources).
- e. Detail the Company's proposed methodology for calculating proxy values for RECs to be transferred from renewable energy projects to any REC cost recovery mechanism.
- f. Detail the Company's proposed methodology for calculating the proxy value of avoided capacity costs associated with resources not bid into the PJM capacity market.
- g. Detail any other related issues that the Company believes should be addressed or decided as part of this docket.
- h. Provide the proposed rate design for all rate classes for each alternative cost allocation methodology included in the filing. For each alternative methodology, also include a bill analysis that provides the projected bill impacts for residential, small general service, and large power service customers' bills.<sup>40</sup>

Revenue Requirement and Cost Allocation for the Rate Year

For purposes of the Rate Year in this proceeding, the Commission approves a revenue requirement of \$32,069,614 based on the Company's proposed RAC framework for recovery of VCEA-related resources.<sup>41</sup> Specifically, the Commission approves the following RACs for the Rate Year:

A.6 RPS RAC <sub>e</sub> :	\$141,051
A.6 RPS RAC <sub>c</sub> :	\$117,444
A.5 PCAP RAC:	\$3,792,455
A.5 RPS RAC <sub>D&amp;E</sub> :	\$1,415,578
A.5 RPS RAC <sub>f</sub> :	\$26,603,086

<sup>37</sup> See, *e.g.*, Ex. 30 (Baron) at 28-29; Tr. 704; Tr. 711-12; Tr. 737; Tr. 740.

<sup>38</sup> Report at 99.

<sup>39</sup> In addition to the three proposed methodologies presented in this case, the Company should, at a minimum, also include with the filing a cost allocation methodology under the traditional base rate framework (*i.e.* classified as 100% demand and allocated to the classes on a 6CP basis, Tr. 706) and the 50/50 demand/energy allocator it presented in its filing with the WVPSC regarding Bedington. Report at 99.

<sup>40</sup> This bill analysis should be for a period of no less than ten years. We further direct Staff and the Company to work together, as necessary, to develop the form and contents of this bill analysis.

<sup>41</sup> Ex. 40 (Staff PE-2). While Staff states that the record supports a revenue requirement of \$32,162,639, the Commission will limit the combined revenue requirements to \$32,069,614 as publicly noticed by the Company. *Id.* The Commission has adjusted the A.5 RPS RAC<sub>D&E</sub> down from \$1,508,603 to \$1,415,578 in order not to exceed the noticed amount.

These RACs are approved, subject to true-up in a future proceeding. The Commission further finds, for purposes of the Rate Year in this proceeding only, that the Company shall allocate the revenue requirement for purposes of jurisdictional and class allocation as proposed by the Company.<sup>42</sup> These approvals are without prejudice to the Company, parties and Staff to propose alternative frameworks for recovery of VCEA-related costs for future rate years, and alternative cost allocation methodologies, in the separate proceeding directed herein.

**ORDER BIFURCATING PROCEEDING**

The Commission, having herein issued the final order on the petition and associated requests, hereby bifurcates this docket to separately consider the Hearing Examiner's Ruling on Consumer Counsel's Confidentiality Motion and the objections thereto, and to make specific findings thereon.

Accordingly, IT IS ORDERED THAT:

- (1) The RPS Development Plan is approved as set forth herein.
- (2) The Company's requests for cost recovery under Subsections A 5 and A 6 and for prudence determinations under Subsection H are approved as set forth herein.
- (3) The Company forthwith shall file revised tariffs and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/Pages/Case-Information](http://scc.virginia.gov/Pages/Case-Information).
- (4) The following RACs as approved herein shall be effective for service rendered on and after August 1, 2022: (i) A.6 RPS RAC<sub>e</sub>, (ii) A.6 RPS RAC<sub>e</sub>, (iii) A.5 PCAP RAC, (iv) A.5 RPS RAC<sub>D&E</sub>, and (v) A.5 RPS RAC<sub>F</sub>.
- (5) On or before October 1, 2022, the Company shall file a separate proceeding to consider the appropriate framework for cost recovery, the allocation of costs net of benefits pursuant to Code § 56-585.5 F, and class and jurisdictional cost allocation as set forth herein.
- (6) On or after January 1, 2023, the Company shall file its next RPS Filing and its application to update the RACs approved herein, pending resolution of the separate cost allocation proceeding directed herein.
- (7) This proceeding is bifurcated to separately consider the Hearing Examiner's Ruling on Consumer Counsel's Confidentiality Motion and the objections thereto, and this docket shall remain open for such purpose.

<sup>42</sup> Ex. 24 (Spaeth Direct) at 9; Ex. 43 (Samuel) at 5.

**CASE NO. PUR-2021-00206  
AUGUST 5, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests

**ORDER GRANTING LIMITED CLARIFICATION**

On July 15, 2022, the State Corporation Commission ("Commission") issued its Final Order on Petition and Associated Requests and Order Bifurcating Proceeding (collectively, "July 15 Order") in this matter. On August 4, 2022, Appalachian Power Company ("APCo") filed a Motion for Clarification ("Motion"). In its Motion, APCo requests clarification that it can file its next [Renewable Energy Portfolio Standard ("RPS")] Petition either in late fourth quarter 2022 or in early January 2023, using the cost allocation methodologies that the Commission approved on a conditional basis in the [July 15 Order], with any new cost recovery and allocation mechanisms to be implemented in the subsequent RPS Petition.<sup>1</sup>

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows. Ordering paragraph (6) of the Commission's July 15 Order provides that "[o]n or after January 1, 2023, the Company shall file its next RPS Filing and its application to update the RACs approved herein, pending resolution of the separate cost allocation proceeding directed herein."<sup>2</sup> The Commission clarifies that APCo shall file its next RPS proceeding on or after January 1, 2023, using the cost allocation methodologies that the Commission approved on a conditional basis in the July 15 Order, with any new cost recovery and allocation mechanisms to be implemented in the subsequent RPS Petition.

Accordingly, it is SO ORDERED.

<sup>1</sup> Motion at 2.

<sup>2</sup> July 15 Order at 17.

**CASE NO. PUR-2021-00206  
SEPTEMBER 27, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests

**ORDER**

On December 30, 2021, Appalachian Power Company ("APCo" or "Appalachian") submitted its second annual renewable energy portfolio standard ("RPS") plan and associated petition requests for approval of new solar and onshore wind generation capacity ("2021 RPS Filing" or "Petition") to the Commission. Together with the 2021 RPS Filing, APCo filed a Motion for Protective Ruling and Additional Protective Treatment for Extraordinarily Sensitive Information ("Protective Motion"). APCo sought extraordinarily sensitive treatment for two categories of information:

(i) the competitively negotiated contract terms and prices, and information derived therefrom, with vendors, customers or other market participants, together with [APCo's] budgeted costs, planning assumptions, and internal analyses of competing technologies and proposals (the "Contract & Prices Information"); and (ii) the results of competitive requests for proposals ("RFPs") related to the projects at issue in the Petition . . . .<sup>1</sup>

On February 11, 2022, the Hearing Examiner granted the Protective Motion and issued a Protective Ruling.

On April 6, 2022, the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"), a respondent in this matter, filed a Motion for Ruling on Confidentiality of Information ("Confidentiality Motion") challenging APCo's extraordinarily sensitive ("ES") designation of certain information contained in schedules to the Petition (collectively, "Challenged Schedules").

On April 13, 2022, APCo filed a response to Consumer Counsel's Confidentiality Motion ("APCo's Response"). According to APCo, "if the [Challenged] Schedules were disclosed to the public, third-party market participants – including potential counterparties of Appalachian – would have access to information they could use to calculate the contract price, and every future bidder would know the price Appalachian is willing to pay for similar facilities."<sup>2</sup> APCo warns that "if Appalachian cannot protect its cost information and net cost of compliance at which it contracts for resources, customers will pay higher rates."<sup>3</sup>

On April 13, 2022, Virginia Electric and Power Company ("DEV"), a respondent in this matter, also filed a response to Consumer Counsel's Confidentiality Motion ("DEV's Response"). Noting that it had not accessed any of the extraordinarily sensitive materials in this proceeding, DEV stated it could not address the specific information at issue in the Motion.<sup>4</sup> Notwithstanding, DEV stated, among other things, that the Commission has consistently recognized information concerning competitively negotiated contract prices and terms, RFP results, and other competitively sensitive or proprietary information warrants heightened protection.<sup>5</sup>

On April 18, 2022, Consumer Counsel filed a reply ("Consumer Counsel's Reply") to APCo and DEV's responses to the Confidentiality Motion. Among other things, Consumer Counsel asserted that APCo's response "lacks the specifics and detail necessary to demonstrate that the presumption for public disclosure is outweighed by a cognizable harm."<sup>6</sup> Consumer Counsel also stated that it does not intend to make public contract terms or bid prices for a facility.<sup>7</sup> Consumer Counsel's Reply also included an Appendix A that Consumer Counsel asserts provides examples of comparable information being provided by either APCo or DEV in public format.<sup>8</sup>

On June 2, 2022, and June 3, 2022, APCo filed updated schedules removing the ES designation from some of the information at issue in the Confidentiality Motion.

On June 16, 2022, the Hearing Examiner heard oral argument on the Confidentiality Motion. APCo and Consumer Counsel participated in the hearing.

On June 17, 2022, Consumer Counsel filed a letter withdrawing its challenge to certain specific information challenged in the Confidentiality Motion.

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<sup>1</sup> Protective Motion at 3.

<sup>2</sup> APCo's Response at 4-5.

<sup>3</sup> *Id.* at 5.

<sup>4</sup> DEV's Response at 2 n.1.

<sup>5</sup> *Id.* at 1.

<sup>6</sup> Consumer Counsel's Reply at 3.

<sup>7</sup> *Id.* at 6.

<sup>8</sup> *Id.* at 8.



On June 27, 2022, the Hearing Examiner issued a Ruling on the Confidentiality Motion ("Confidentiality Ruling"). The Hearing Examiner observed that "[g]enerally, the basis of Consumer Counsel's challenges . . . is based on its position that the same information was typically treated as public in Commission proceedings."<sup>9</sup> The Hearing Examiner found that:

[T]o protect the integrity of the competitive bidding process and prevent the harm that could follow as a result of a compromised competitive bidding process, certain component parts that would allow a market participant to estimate the [Purchase and Sale Agreement ("PSA")] contract price warrant the protection requested by the Company. In those instances, I find the risk of harm of publicly disclosing the information outweighs the presumption in favor of public disclosure. This finding is based on my conclusion that a distinction can be drawn between APCo's purchase of turnkey facilities and [DEV's] self-built process. Should the Commission not reach the same conclusion, I recommend that all the challenged information in the Challenged Schedules be publicly disclosed.

Notwithstanding my above finding, I agree with Consumer Counsel that certain information the Company has designated as ES does not pose a risk of harm if publicly disclosed.<sup>10</sup>

The Hearing Examiner included a discussion of specific categories of information with her recommendation.

On July 8, 2022, Consumer Counsel filed an objection ("Consumer Counsel's Objection") to the Hearing Examiner's Confidentiality Ruling challenging the Hearing Examiner's determinations to retain the ES designation on certain items of information.<sup>11</sup>

Also on July 8, 2022, APCo filed a letter stating it "does not raise any objection to the information that the Hearing Examiner concluded should remain protected" and "does not raise any objection to the public disclosure of the information discussed in Section II (A) and (B) of the Ruling (the Forecasted Energy, Capacity and REC prices), and in Section VII (Miscellaneous items)."<sup>12</sup>

On July 15, 2022, the Commission issued a Final Order on Petition and Associated Requests and Order Bifurcating Proceeding. The Commission bifurcated this docket to separately consider the Hearing Examiner's Ruling on Consumer Counsel's Confidentiality Motion and the objections thereto, and to make specific findings thereon.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

As recognized by the Hearing Examiner, the presumption in favor of public disclosure is based on the directive of Code § 12.1-26, which states:

The sessions of the Commission for the hearing of any complaint, proceeding, contest, or controversy instituted or pending before it, whether of its own motion or otherwise, shall be public, and its findings, decisions, and judgments shall be made public forthwith.

Rule 170 of the Commission's Rule of Practice and Procedure<sup>13</sup> and Paragraph 7 of the Protective Ruling incorporate this presumption of public disclosure. Rule 170 in particular states:

Upon challenge, the information shall be treated as confidential pursuant to these rules only where the party requesting confidential treatment can demonstrate to the satisfaction of the commission that the risk of harm of publicly disclosing the information outweighs the presumption in favor of public disclosure.<sup>14</sup>

The burden thus lies squarely upon APCo to demonstrate the risk of harm of publicly disclosing the information outweighs the presumption in favor of public disclosure. APCo repeatedly asserted during oral argument that Consumer Counsel had failed to show any benefit to disclosing the Challenged Schedules.<sup>15</sup> There is no burden for Consumer Counsel to make such a showing. The Commission, however, has previously recognized that "keeping information confidential – which otherwise would be treated as public – restricts unnecessarily the full public development of the record and result of such cases."<sup>16</sup>

As an initial matter, APCo did not object to the recommendations of the Hearing Examiner to make certain challenged information public<sup>17</sup> and Consumer Counsel similarly did not object to that portion of the Confidentiality Ruling. Finding no remaining disagreement with respect to that information, the Commission finds that information should be made public.

<sup>9</sup> Confidentiality Ruling at 9.

<sup>10</sup> Confidentiality Ruling at 11-12.

<sup>11</sup> Consumer Counsel's Objection at 28.

<sup>12</sup> APCo July 8, 2022 letter at 1.

<sup>13</sup> 5 VAC 5-20-10 *et seq.*

<sup>14</sup> 5 VAC 5-20-170.

<sup>15</sup> June 16, 2022 Transcript ("Tr.") 59, 66.

<sup>16</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to § 56-597 et seq. of the Code of Virginia*, Case No. PUE-2013-00088, Doc. Con. Cen. No. 140620035, Order at 7 (June 5, 2014).

<sup>17</sup> See APCo's July 8, 2022 letter at 1 ("APCo . . . does not raise any objection to the public disclosure of the information discussed in Section II (A) and (B) of the Ruling (the Forecasted Energy, Capacity, and REC prices), and in Section VII (Miscellaneous items)).

Next, we do not find, based on the record in this case, that any apparent differences between DEV and APCo's approaches to acquiring company-owned facilities, standing alone, is sufficient to overcome the presumption in favor of public disclosure. In this regard, APCo argued that DEV "[is] asking for the components of the project via competitive solicitations outside of the VC[E]A context [and is] proposing projects that [DEV is] building themselves[.]" whereas APCo is "proposing to purchase projects that somebody else is building[.]"<sup>18</sup> We agree with Consumer Counsel that there is insufficient record evidence in this matter to support the assertions regarding DEV's approach to acquiring company-owned facilities.<sup>19</sup>

For purposes of this Order, the Commission will group the contested information into the following categories: (1) Capacity Factor Information and forecasted megawatt-hours ("MWh") production; (2) Forecasted Energy, Capacity and REC Prices and Values; (3) Total "All-in" Installed Cost of Company-owned Facilities; and (4) levelized cost of energy ("LCOE") for Company-owned facilities.

We further note that Consumer Counsel does not challenge the designation of any contract terms as confidential, including the purchase price associated with any PSA or the terms of any PPA.<sup>20</sup> Consumer Counsel asserts, however, that "[c]ustomers and the public have a right to know basic 'cost information' related to generation facilities that customers will pay for. And customers and the public have a right to know the details around the economic justification for acquiring new generation facilities that will for decades commit customers' money to pay for those generation facilities."<sup>21</sup>

### 1. Capacity Factor Information and Forecasted Megawatt-hours ("MWh")

The design capacity factor for proposed solar facilities is information that has been routinely provided on a public basis in Commission proceedings.<sup>22</sup> APCo has failed to demonstrate that the risk of harm of publicly disclosing this information outweighs the presumption in favor of public disclosure. We therefore find that the design capacity factor information for APCo's proposed solar facilities should be public. We further find that APCo has not demonstrated how knowledge of the capacity factor would permit someone to "back into" the purchase price.

Having found that the design capacity factor information should be public, we similarly find that the forecasted annual megawatt-hour production for the solar facilities should be public. This represents a simple mathematical exercise of multiplying the capacity factor by the nameplate capacity, and then multiplying the result by the number of hours in the year (8,760).

AEJ-18	Finding
Capacity Factor	Public
AEJ-19	
Capacity Factor	Public
MMS-2, 3, 4, and 5	
Capacity Factor	Public

MMS – 1 – Resources	Finding
Amherst forecasted MWh	Public
Firefly forecasted MWh	Public
Top Hat forecasted MWh	Public
Bedington forecasted MWh	Public

### 2. Forecasted Energy, Capacity and REC Prices and Values

According to APCo, Schedule MMS-1 shows, for each resource included in APCo's Application, the energy, capacity and REC value percentage used to allocate costs to be accumulated in the corresponding RACs proposed.<sup>23</sup> This analysis includes multiple separate spreadsheets that contain information challenged by Consumer Counsel.

Consumer Counsel challenged the Company's redaction of annual energy cost, annual REC purchase cost and annual cost of the Company's Qualifying Facilities, Leatherwood and Wytheville. We agree with the Hearing Examiner that a reasonable estimate of underlying contract information could be established if this information was revealed.<sup>24</sup> Accordingly, we find the risk of harm of publicly disclosing the information outweighs the presumption in favor of public disclosure.

<sup>18</sup> Tr. 57.

<sup>19</sup> See Consumer Counsel's Objection at 9-12.

<sup>20</sup> Tr. 16.

<sup>21</sup> Consumer Counsel's Reply at 14.

<sup>22</sup> See, e.g., *Petition of Virginia Electric and Power Company, For approval and certification of the proposed US-4 Solar Project pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider US-4, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2019-00105, 2020 S.C.C. Ann. Rept. 290, 295, Order Granting Certificate (Jan. 22, 2020); *Petition of Virginia Electric and Power Company, For approval and certification of the proposed US-3 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider US-3, under § 56-585.1A 6 of the Code of Virginia*, Case No. PUR-2018-00101, 2019 S.C.C. Ann. Rept. 239, 246, Order Granting Certificates (Jan. 24, 2019). See also Consumer Counsel's Objection at 11-12.

<sup>23</sup> APCo's Response at 4.

<sup>24</sup> Report at 15.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

<b>MMS – 1 – QFs – Leatherwood and Wytheville</b>	<b>Finding</b>
Annual energy cost	ES
Annual REC purchase cost	ES
Total annual cost	ES

Consumer Counsel also challenged the confidentiality of certain data related to the Horsepen, Sunridge and Dogwood PPAs. The Commission finds that the effective load carrying capacity ("ELCC") information should be public, consistent with the Hearing Examiner's recommendation regarding ELCC information, to which APCo did not object, contained on page 14 of the Confidentiality Ruling. The Commission further finds, consistent with its prior determinations, that capacity price forecasts should be public.<sup>25</sup> This information is also identical to information the Hearing Examiner recommended be public, to which APCo did not object, contained on page 14 of the Confidentiality Ruling. With respect to the capacity value of each individual PPA, the Commission finds that the potential harm of disclosure does not outweigh the presumption in favor of public disclosure. The capacity value is a straightforward mathematical exercise using the nameplate capacity, the ELCC, the capacity forecast and the number of days in the year (365). The Commission similarly finds comparable data with respect to the Dogwood PPA should also be made public.

<b>MMS – 1 –PPAs – Horsepen and Sun Ridge Data</b>	<b>Finding</b>
ELCC	Public
Capacity Price \$/MW Day	Public
Capacity value	Public
<b>Dogwood Data</b>	
ATRR \$/MW Year	Public
PJM LSE OATT shifted cost	Public
FRR peak reduction	Public
Capacity price \$/MW Day	Public
Capacity Value	Public
PJM load based ancillary service charges	Public

### 3. Total "All-in" Installed Cost of Company-owned Facilities

Consumer Counsel challenged APCo's designation of the total cost of its proposed Company-owned facilities as extraordinarily sensitive, noting that it was not aware of a single instance in a Commission proceeding the total cost of a proposed facility has been kept confidential.<sup>26</sup> The total facility cost is comprised of the PSA cost as well as additional Owner's costs, which in turn include "Owners costs and overheads," contingency, and allowance for funds used during construction (AFUDC) components.<sup>27</sup> In APCo's view, knowledge of the total all-in cost of facilities would allow "bidders to improve their estimates and get back to a number and [that is] close enough."<sup>28</sup> We disagree and find the total cost is not sufficiently specific to the contractual purchase price.<sup>29</sup> We also find that the total sum of the PSA purchase price for the Amherst, Bedington, Top Hat, and Firefly facilities is not sufficiently specific to allow determination of any individual underlying contract price in this case. We agree with Consumer Counsel that, under the circumstances of this case, the presumption in favor of public disclosure outweighs the potential harm with respect to the total facility cost and total sum of PSA purchase prices for the Company-owned facilities. We find that information should be public.<sup>30</sup>

<b>AEJ-15</b>	<b>Finding</b>
Total sum of PSA purchase price for Amherst, Bedington, Top Hat, and Firefly facilities on far right column	Public
Total facility cost for Amherst, Bedington, Top Hat, and Firefly facilities and the total combined cost of those facilities	Public <sup>31</sup>
<b>MMS – 2, 3, 4, and 5</b>	
Total CapEx	Public

<sup>25</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to § 56-597 et seq. of the Code of Virginia*, Case No. PUE-2013-00088, Doc. Con. Cen. No. 140620035, Order at 7 (June 5, 2014).

<sup>26</sup> Tr. 23.

<sup>27</sup> See Tr. 61 (CapEx is "the contract price, plus several factors . . . overhead, contingencies, capital investments, engineers, AFUDC").

<sup>28</sup> Tr. 76. See also Tr. 61.

<sup>29</sup> While not dispositive to our determination, we note further that DEV has historically provided the all-in price for its proposed company-owned facilities in its annual RPS proceeding. See, e.g., Consumer Counsel's Reply at Attachment 4.

<sup>30</sup> See, e.g., Consumer Counsel's Objection at 21-22.

<sup>31</sup> We further find that APCo has waived any claim of confidentiality by disclosing the subtotal of all Owner's costs (\$60.1 million). Ex. 23 (Jeffries Direct) at 16.

Having found the total "all-in" cost of Company-owned facilities should be public, we further find that the rate base schedules and revenue requirement schedules, which contain similar redactions to prevent disclosure of the "all-in" price,<sup>32</sup> should also be made public. APCo asserts that it may contract with outside vendors to provide operations and maintenance ("O&M") services and that budgeted O&M, if disclosed to potential bidders, could result in higher bid prices.<sup>33</sup> We agree and find that the harm of disclosing the O&M budgeted amounts outweighs the presumption in favor of public disclosure.

<b>MMS – 2, 3, 4, and 5 – Rate Base</b>	<b>Finding</b>
Rate Base Schedule	Public
Revenue Requirement Schedules	Public with exception of O&M Expense <sup>34</sup>

Schedule 6 of Company Witness Castle's direct testimony is entitled "Economic Impact Analysis - Proposed Firefly Solar Project" and was designated extraordinarily sensitive in full. Having found that the Total Facility Cost should be made public, we similarly find that estimated construction impacts presented to Schedule 6 should be made public.

<b>WKC-6</b>	<b>Finding</b>
Construction costs/capital investment total	Public
Construction impacts	Public
Land lease impacts data <sup>35</sup>	ES
CapEx Investment	Public

#### 4. LCOE for Company-owned Facilities

Schedule 1 to the direct testimony of Company witness Castle contains the LCOE of the Company's proposed resources and PPAs. As described by APCo, "LCOE is a metric that analyzes each resource's average net present cost of electricity generation over their respective lifetimes."<sup>36</sup> Said another way, "LCOE is that amount, the CapEx, the total CapEx, plus ongoing O&M costs, divided by the annual production."<sup>37</sup> As acknowledged by Consumer Counsel, LCOE information has been redacted in some Commission proceedings and has been public in others.<sup>38</sup> Consumer Counsel does not challenge the ES designation of the LCOE of the PPAs, but does challenge the ES designation of the LCOE for the proposed Company-owned facilities.<sup>39</sup> For the Company-owned facilities, the LCOE is based on the "all-in cost"<sup>40</sup> which the Commission has determined herein should be public. It also includes O&M costs, which the Commission has found should remain redacted. If the other components of the LCOE calculation are public (i.e., annual production and total CapEx), it would be possible to back into the O&M amounts mathematically. Accordingly, the Commission finds, based on the record established herein, that the risk of harm outweighs the presumption in favor of public disclosure with respect to the LCOE for Company-owned facilities because it would reveal O&M amounts.

<b>WKC – 1 – LCOE Company-owned Facilities</b>	<b>Finding</b>
Firefly	ES
Top Hat	ES
Bedington	ES
Amherst	ES

Accordingly, IT IS ORDERED THAT:

(1) Consumer Counsel's Confidentiality Motion is granted in part and denied in part as set forth herein.

(2) On or before thirty (30) days from the date of this Order, APCo is hereby directed to refile with the Clerk of the Commission the public version of the Challenged Schedules consistent with the determinations herein.

(3) This matter is dismissed.

<sup>32</sup> Tr. 77-78.

<sup>33</sup> Tr. 76.

<sup>34</sup> We also note that Consumer Counsel does not challenge the extraordinarily sensitive designation of the Insurance or Land Lease amounts on the Revenue Requirement Schedules. Tr. 43.

<sup>35</sup> With respect to land lease impacts, during the hearing, Consumer Counsel asserted that it did not object to all the land lease information remaining redacted. Tr. 28.

<sup>36</sup> APCo's Response at 4.

<sup>37</sup> Tr. 61.

<sup>38</sup> Consumer Counsel's Reply at 10.

<sup>39</sup> Tr. 52.

<sup>40</sup> See, e.g., Tr. 61, 75.

**CASE NO. PUR-2021-00208  
JANUARY 24, 2022**

APPLICATION OF  
IMPACT POWER SOLUTIONS LLC

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On November 8, 2021, Impact Power Solutions LLC ("Impact" or "Company") completed the filing of its application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia. Impact seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Impact attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>1</sup>

On November 22, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before December 6, 2021, and to file proof of service on or before December 13, 2021. On November 29, 2021, the Company filed its proof of service. On December 15, 2021, Dominion filed its notice of participation as a respondent in this matter.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before December 20, 2021. No comments were filed.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before January 6, 2022. On January 6, 2022, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.<sup>2</sup> Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.<sup>3</sup>

NOW THE COMMISSION, upon consideration of this matter, finds that Impact's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) Impact is hereby granted license No. SS-13 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.
- (2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>1</sup> 20 VAC 5-340-10 *et seq.*

<sup>2</sup> Report at 4-5.

<sup>3</sup> *Id.* at 5.

**CASE NO. PUR-2021-00211  
JANUARY 12, 2022**

PETITION OF  
CHICKAHOMINY PIPELINE, LLC

For a declaratory judgement

**ORDER GRANTING RECONSIDERATION**

On December 22, 2021, the State Corporation Commission ("Commission") issued a Final Order in this docket. On January 11, 2022, Chickahominy Pipeline, LLC ("CPLLC") filed a Motion for Reconsideration ("Petition for Reconsideration").<sup>1</sup>

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The Final Order is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT:

- (1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration.

<sup>1</sup> Though labeled a "motion," CPLLC states it is making its filing pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* This rule pertains to petitions for rehearing or reconsideration, and we treat the "motion" as a "petition" under this rule.

- (2) Pending the Commission's reconsideration, the Final Order is suspended.
- (3) This matter is continued generally.

**CASE NO. PUR-2021-00211  
MARCH 28, 2022**

PETITION OF  
CHICKAHOMINY PIPELINE, LLC

For a declaratory judgment

**ORDER ON RECONSIDERATION**

On September 3, 2021, Chickahominy Pipeline, LLC ("Chickahominy"), filed with the State Corporation Commission ("Commission") a petition for a declaratory judgment ("Petition") pursuant to 5 VAC 5-20-100 of the Commission's Rules of Practice and Procedure.<sup>1</sup> In its Petition, the Company sought a judgment "determining that the proposed construction, ownership, and operation of a natural gas pipeline (the "Pipeline") to transport natural gas to the proposed combined-cycle generating facility to be constructed by Chickahominy Power, LLC ("CPLLC") is not subject to the Commission's jurisdiction pursuant to Title 56 of the Code of Virginia."<sup>2</sup>

On December 22, 2021, the Commission issued a Final Order finding, among other things, that "Chickahominy is a public utility under Code § 56-265.1(b) and subject to the [certificate of public convenience and necessity ("CPCN")] requirement of Code § 56-265.2."<sup>3</sup>

On January 11, 2022, Chickahominy filed a Motion for Reconsideration ("Petition for Reconsideration") in which "Chickahominy seeks reconsideration of the Commission's finding that it is a 'public utility' pursuant to Section 56-265.1(b) of the Code of Virginia (the 'Utility Facilities Act')."<sup>4</sup>

On January 12, 2022, the Commission entered an Order Granting Reconsideration, which suspended the Final Order and granted reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration.

On February 17, 2022, Chickahominy filed a Motion to Withdraw Petition and Vacate Order ("Motion to Vacate"). Responses opposing the Motion to Vacate were timely filed by: Virginia Natural Gas; Appalachian Voices and Chesapeake Bay Foundation; and the Staff of the Commission. Chickahominy did not file a timely reply as permitted by Commission Rule 5 VAC 5-20-110.

NOW THE COMMISSION, upon consideration hereof, is of the opinion and finds as follows.

As an initial matter, Chickahominy states: "While Chickahominy believes that the record plainly reflects that it will not sell the gas transported by Chickahominy to any entity, to the extent that the Commission or the Hearing Examiner have questions or concerns regarding the facts underlying the Petition, the proper approach would have been to schedule an evidentiary hearing, as was requested by several parties in this case."<sup>5</sup> No participant in this case asserted that Chickahominy will sell natural gas. Neither has any participant, including Chickahominy, identified a material fact that is in dispute. The Commission continues to conclude that an evidentiary hearing is not needed in order to rule on the legal questions raised by the Petition.

The facts set forth by Chickahominy include the following. Chickahominy and CPLLC "are separate entities who are corporate affiliates."<sup>6</sup> Chickahominy "will provide service solely to CPLLC."<sup>7</sup> Chickahominy "plans to construct a pipeline in central Virginia to transport gas to [CPLLC], a natural gas-fired electric generation facility to be constructed in Charles City County, Virginia."<sup>8</sup> Chickahominy "will not sell natural gas to CPLLC."<sup>9</sup> Rather, "CPLLC plans to purchase its supply of natural gas from a third-party supplier before the gas is transported by Chickahominy and to pay Chickahominy to transport the already owned gas to its generation facility by means of Chickahominy's pipeline facilities."<sup>10</sup>

Turning to the statute, Code § 56-265.1(b) provides as follows:

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<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> Petition at 1.

<sup>3</sup> Final Order at 8.

<sup>4</sup> Petition for Reconsideration at 1.

<sup>5</sup> *Id.* at 9-10.

<sup>6</sup> *Id.* at 2 n.1.

<sup>7</sup> *Id.* at 2.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 6.

<sup>10</sup> *Id.*

"Public utility" means any company that owns or operates facilities within the Commonwealth of Virginia for the generation, transmission, or distribution of electric energy for sale, for the production, storage, transmission, or distribution, otherwise than in enclosed portable containers, of natural or manufactured gas or geothermal resources for sale for heat, light or power, or for the furnishing of telephone service, sewerage facilities or water. A "public utility" may own a facility for the storage of electric energy for sale that includes one or more pumped hydroelectricity generation and storage facilities located in the coalfield region of Virginia as described in § 15.2-6002. However, the term "public utility" does not include any of the following: ....

The statute then lists twelve (12) exceptions to the definition of "public utility." Chickahominy asserts the Commission made a mistake of law by concluding that Chickahominy would be a public utility under this statute.

Chickahominy does not claim that it falls under any of the twelve (12) enumerated exceptions. Rather, Chickahominy asserts that it does not fall under the definition of "public utility" at all. In support thereof, Chickahominy claims that: (1) the Commission "has deleted the words 'for sale' from the statute"; and (2) "[t]he only reasonable interpretation of the words 'for sale' in the natural gas clause is that the natural gas must be for sale by the company owning or operating the facilities used to produce, transport, transmit, or distribute that gas."<sup>11</sup> The Commission continues to find, however, that the statute does not operate in the manner posited by Chickahominy. The Commission's conclusion in this regard is supported by multiple independent reasons.

First, there is nothing in Code § 56-265.1(b) that limits the Commission's jurisdiction based on ownership of the *commodity*. Rather, the Commission's jurisdiction over the "public utility" is expressly based on ownership or operation of the specific *facilities* identified therein.<sup>12</sup> This does not render the words "for sale" superfluous;<sup>13</sup> *i.e.*, the "for sale" language specifically describes the commodity that is produced, stored, transmitted, or distributed by the public utility's facilities.<sup>14</sup>

The General Assembly included the "for sale" phrase when it originally enacted this statute over 70 years ago.<sup>15</sup> By doing so, the General Assembly expressly removed any potential ambiguity as to the type of ownership or operation that would deem a company a "public utility" thereunder. Specifically, if the company's facilities are not used for a commodity that is part of a mercantile transaction, then that company is not subject to the Commission's jurisdiction as a "public utility" under the statute.

Next, the statute's definition of "public utility" is not dependent upon taking title to and selling the commodity. The statute encompasses all stages (*i.e.*, production, storage, transmission, and distribution) involved in the sale of natural gas for heat, light or power.<sup>16</sup> If a company owns or operates facilities for any one of those stages, then that company is a "public utility." The General Assembly could have, but did not, state that *only* the company taking title to the commodity and making the sale is a "public utility."

The definition of "public utility" is also part of a larger statutory scheme that requires, among other things, Commission approval – in the form of a CPCN in compliance with other statutory criteria – for a company to construct facilities for use "in public utility service."<sup>17</sup> Chickahominy's proffered interpretation would allow this statutory scheme to become a nullity. Under Chickahominy's view (taken to its logical conclusion), if a third-party took original title to the commodity and made the sale, but did not produce, store, transmit, or distribute the commodity, then *nobody* is a "public utility" and *all* of the facilities used to provide natural gas in public utility service would fall outside of the statute and outside of the Commission's delegated authority to regulate these facilities through CPCNs. Indeed, this would necessarily apply to electric utilities in the statutory definition, as well; *e.g.*, if an affiliate of an electric generating company took original title to the electricity and made the sale, then (under Chickahominy's view of the statutory intent) the electric generating company would not be a "public utility" and would not need a CPCN from the Commission in order to construct its electric generation facility. The Commission finds nothing in the statute even remotely suggesting that this reflects the General Assembly's intent. Under the plain language of the statute, Chickahominy is a public utility under Code § 56-265.1(b) and subject to the CPCN requirement of Code § 56-265.2.

Finally, the Commission hereby exercises its discretion *not* to vacate the Final Order and, thus, denies Chickahominy's Motion to Vacate.

Accordingly, IT IS SO ORDERED, the Final Order is no longer suspended, and this case is DISMISSED.

<sup>11</sup> *Id.* at 6-7.

<sup>12</sup> *See, e.g.*, Hearing Examiner's Report at 12.

<sup>13</sup> Petition for Reconsideration at 4.

<sup>14</sup> *See, e.g.*, Hearing Examiner's Report at 12.

<sup>15</sup> 1950 Va. Act ch. 327.

<sup>16</sup> *See, e.g.*, Hearing Examiner's Report at 11.

<sup>17</sup> Code § 56-265.2.

**CASE NO. PUR-2021-00216  
FEBRUARY 14, 2022**

APPLICATION OF  
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For approval of a rate schedule effecting no increase

**ORDER**

By letter dated September 8, 2021, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-40 of the Code of Virginia ("Code")<sup>1</sup> for approval to implement Rate Schedule A-TOU ("Schedule A-TOU").<sup>2</sup>

Schedule A-TOU is a new, voluntary tariff for electric vehicle owners that would be available to residential consumers taking service at one delivery point through one kilowatt-hour meter for electric service in all territory served by the Cooperative, subject to the Terms and Conditions of the Cooperative.<sup>3</sup> Schedule A-TOU is limited to twenty consumers, and a maximum of five of these consumers may be net metering.<sup>4</sup>

As represented by CVEC, Schedule A-TOU will not effect an increase in rates and is designed to be revenue-neutral overall.<sup>5</sup> CVEC further represents that, due to the limited number of participating consumers, adverse impacts on nonparticipating ratepayers is a practical impossibility.<sup>6</sup> The Cooperative's Board approved Schedule A-TOU on July 21, 2021.<sup>7</sup>

CVEC requests that the Commission approve Schedule A-TOU without notice, comment, or hearing pursuant to Code § 56-40 as Schedule A-TOU effects no increases.<sup>8</sup>

NOW THE COMMISSION, upon consideration of this matter and having been sufficiently advised by the Commission's Staff that Schedule A-TOU effects no increases and is otherwise just and reasonable, is of the opinion and finds that it should be approved without notice pursuant to Code § 56-40.

Accordingly, IT IS ORDERED THAT:

(1) Schedule A-TOU shall be approved as set forth herein.

(2) The Company forthwith shall file Schedule A-TOU and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [www.scc.virginia.gov/case](http://www.scc.virginia.gov/case).

(3) This case is dismissed.

<sup>1</sup> Code § 56-40 provides that "[t]he Commission, in the exercise of its discretion, may permit any public utility corporation to put into effect any proposed revision of its rate schedules, or any part thereof, without notice when the proposed revision effects no increases."

<sup>2</sup> Application at 1. A copy of Schedule A-TOU is attached to the Application as Exhibit A.

<sup>3</sup> *Id.* at Exhibit A, p.1 and Exhibit B. Schedule A-TOU is applicable to residential customers otherwise served under CVEC's tariff Schedule A. *Id.* at 1 and Exhibit A, p.1.

<sup>4</sup> *Id.* at Exhibit A, p.1.

<sup>5</sup> *Id.* at 1.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at Exhibit B.

<sup>8</sup> *Id.* at 1.



**CASE NO. PUR-2021-00217  
FEBRUARY 14, 2022**

APPLICATION OF  
ALL POINTS NORTHERN NECK, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On October 27, 2021, All Points Northern Neck, LLC ("All Points" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange services in the Commonwealth of Virginia.<sup>1</sup> The Company also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>2</sup>

On November 16, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed All Points to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On December 20, 2021, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On January 26, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.* Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to All Points subject to the following condition: All Points should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant a Certificate to All Points. Further, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.<sup>3</sup>

Accordingly, IT IS ORDERED THAT:

(1) All Points is hereby granted Certificate No. T-786 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If All Points elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(3) All Points shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(4) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

<sup>1</sup> All Points clarified in its supplemental filing to the Application on October 27, 2021, that the Company did not wish to seek interexchange ("IXC") certification and asked the Commission to disregard any references to IXC certification in its initial filings.

<sup>2</sup> 5 VAC 5-20-10 *et seq.*

<sup>3</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

**CASE NO. PUR-2021-00219  
JULY 22, 2022**

APPLICATION OF  
APPALACHIAN POWER COMPANY

For approval and certification of the Fieldale to Ridgeway 138 kV Rebuild Project under Title 56 of the Code of Virginia

**FINAL ORDER**

On November 23, 2021, pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*, Appalachian Power Company ("APCo" or "Company") filed an application and supporting documents with the State Corporation Commission ("Commission") for approval and certification to construct, own, operate, and maintain the Fieldale to Ridgeway 138 kilovolt ("kV") Rebuild Project, to be located in Henry County, Virginia ("Application").

Specifically, APCo seeks approval of its proposal for: (a) an approximate 15-mile long rebuild of the Company-owned portion of the Fieldale-Dan River 138 kV transmission line from the Company's Fieldale Substation to existing structure 28-103 near the Virginia/North Carolina border; (b) re-conducting an approximately 0.3-mile portion of that line between existing structures 28-38A and 28-41A; and (c) upgrades and replacement of equipment at the Ridgeway Substation and updates to relay settings at the Fieldale, Ridgeway, and Commonwealth crossing Substations (collectively, the "Project").<sup>1</sup>

APCo asserts that the infrastructure needs to be replaced due to deteriorated condition, performance, and risk associated with the asset, including its inability to meet current National Electrical Safety Code ("NESC") standards.<sup>2</sup> According to the Application, the Project will replace aging infrastructure that is 70 years old, contains numerous open conditions due to age-related deterioration, and does not comply with current NESC Grade B loading criteria.<sup>3</sup> APCo represents that the Project is necessary to ensure adequate and reliable electric service and accommodate future growth in Henry County and the surrounding area.<sup>4</sup> The Company states that the transmission line to be rebuilt has experienced poor operational performance due to multiple permanent and momentary outages, has outage risk to customers directly served by the associated circuits, and has outage risk to the Company's interconnection with Duke Energy Carolinas, LLC, which occurs near existing structure 28-103 at the Virginia/North Carolina border.<sup>5</sup>

According to the Application, approximately forty percent of the Project will be constructed on the existing 100-foot-wide right-of-way ("ROW") already acquired by the Company.<sup>6</sup> The Company states that in order to minimize the duration of the time the transmission line will be out of service, the remaining portion of the Project will be rebuilt parallel to or near the existing ROW on new 100-foot wide ROW.<sup>7</sup>

APCo states that the proposed in-service date is July 2025 and estimates that it will need approximately three years after entry of the Commission's final approving order for engineering, design, ROW acquisition, permitting, material procurement and construction to place the Project in service.<sup>8</sup> The Company further states that the estimated total cost of the Project is \$32.6 million, with \$32.2 million in transmission line-related costs and \$0.4 million for substation-related costs.<sup>9</sup>

On January 24, 2022, the Commission issued an Order for Notice and Hearing ("Procedural Order"), which, among other things, docketed the proceeding; directed the Company to provide notice of its Application to the public; provided interested persons the opportunity to comment on the Application or to participate as a respondent in this proceeding; scheduled public hearings; and directed the Commission's Staff ("Staff") to investigate the Application and to file its testimony and exhibits. No notices of participation were filed in this proceeding.

As discussed in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review. On February 23, 2022, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Recommendations regarding the Project. According to the DEQ Report, the Company should:

1. Conduct an on-site delineation of all wetlands and streams within the Project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
2. Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;
3. Evaluate identified Pollution Complaint cases and their potential to impact the proposed Project;
4. Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;
5. Development of an invasive species management plan and the planting of native pollinator plants may be coordinated with the Department of Conservation and Recreation ("DCR");
6. Coordinate with DCR on a plan to minimize the fragmentation of ecological cores at identified sites;
7. Coordinate with DCR for updates to the Biotics Data System database (if the scope of the Project changes or six months passes before the Project is implemented);

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<sup>1</sup> Ex. 2 (Application) at 1.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at 1-2.

<sup>4</sup> *Id.* at 2.

<sup>5</sup> Ex. 2 (Response to Guidelines) at 1.

<sup>6</sup> Ex. 2 (Application) at 2.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 3.

<sup>9</sup> Ex. 2 (Response to Guidelines) at 11.

8. Coordinate with the Department of Wildlife Resources ("DWR") regarding its general recommendations to protect aquatic and wildlife resources;
9. Coordinate with the Virginia Outdoors Foundation if the Project area changes or if the Project does not begin within 24 months;
10. Employ best management practices and Spill Prevention and Control Countermeasures as appropriate for the protection of water supply sources;
11. Follow the principles and practices of pollution prevention to the maximum extent practicable; and
12. Limit the use of pesticides and herbicides to the extent practicable.<sup>10</sup>

On April 27, 2022, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of APCo's Application. Staff concluded that APCo has reasonably demonstrated that the Project is needed to maintain the overall reliability of the Company's transmission system.<sup>11</sup> Staff therefore did not oppose the Company's request for a certificate of public convenience and necessity ("CPCN").<sup>12</sup>

On May 11, 2022, the Company filed its rebuttal testimony containing its response to certain recommendations in the DEQ Report. In its rebuttal testimony, APCo stated that it opposes three recommendations of DWR included in the DEQ Report.<sup>13</sup>

First, APCo does not agree with DWR's first recommendation that the Company "maintain naturally vegetated buffers of at least 100 feet in width around wetlands and on both sides of perennial and intermittent streams, where practicable."<sup>14</sup> APCo asserts that its experience indicates that this recommendation may present safety and service reliability risks due to the potential for vegetation and wire contact from tall tree growth.<sup>15</sup> The Company states that maintaining a 100-foot undisturbed wooded buffer within the ROW, as recommended by DWR, would require taller and heavier transmission line structures and additional line length, thereby unnecessarily increasing Project costs and visual presence.<sup>16</sup>

Next, the Company does not agree with DWR's second recommendation that it "conduct significant tree removal and ground clearing activities outside of the primary songbird nesting season of March 15 through August 15."<sup>17</sup> APCo asserts that this time-of-year restriction would prevent clearing for almost half the year during the prime time for such activities.<sup>18</sup> The Company further asserts that DWR's recommendation is unduly burdensome and impractical, and would adversely affect the Company's ability to complete "this critical infrastructure upgrade" in time to meet the Project's in-service date, which would put system reliability at risk.<sup>19</sup> The Company represents that this recommendation would also increase costs and raise concerns about worker safety.<sup>20</sup>

Finally, the Company does not agree with DWR's third recommendation that it follow a time-of-year restriction from March 15 through June 30 (Orangefin madtom) and from October 1 through March 31 (Brown trout) of any year for instream work, whether resulting in permanent or temporary impacts, at locations within one mile upstream of the Smith River.<sup>21</sup> Among other things, the Company asserts that, because these time-of-year restrictions would encompass nine months of the year and prohibit any instream work other than in the months of July, August, and September, DWR's recommendation would be unduly burdensome and would adversely affect APCo's ability to complete tree clearing and access road construction.<sup>22</sup> The Company represents that, when instream work is required, the Company will comply with the requirements of permits issued by DEQ and the U.S. Army

<sup>10</sup> Ex. 8 (DEQ Report) at 6-7.

<sup>11</sup> Ex. 7 (Malik Direct) at Staff Report, p. 19.

<sup>12</sup> *Id.*

<sup>13</sup> Ex. 9 (McMillen Rebuttal) at 2.

<sup>14</sup> *Id.* (quoting Ex. 8 (DEQ Report) at 21).

<sup>15</sup> *Id.* The Company states that, where reasonable and practicable, it will utilize selective clearing methods to retain low-growth shrubs and other compatible vegetation within: (1) 50 feet of all year-round streams, ponds or wetlands; (2) 50 feet of road crossings; and (3) 25 feet of karst features and outcrops of limestone or dolomite rock. *Id.* The Company represents that these mitigation guidelines have been used on other transmission line projects and have been found to be adequate and effective in protecting streams, wetlands, and karst features. *Id.*

<sup>16</sup> *Id.* at 2-3.

<sup>17</sup> *Id.* at 3 (quoting Ex. 8 (DEQ Report) at 21).

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 4.

<sup>20</sup> *Id.*

<sup>21</sup> *Id.* at 5 (citing Ex. 8 (DEQ Report) at 20).

<sup>22</sup> *Id.* The Company states that, as a linear utility, it maintains annual standards and specifications with DEQ that are intended to protect streams and down gradient areas. *Id.* The Company further states that the Project will adhere to an approved erosion and sediment control plan to contain sediment laden runoff to the work area to be properly treated before it is discharged from the site. *Id.* The Company also states that stabilization measures will be applied promptly during construction activities to obtain vegetative cover and reduce erosion potential from disturbed areas. *Id.*

Corps of Engineers, including time-of-year restrictions when the impacted stream is of suitable habitat for the Orangefin madtom and Brown trout.<sup>23</sup> The Company asserts that the time-of-year restrictions recommended by DWR for instream work are "overbroad, unnecessary, and unreasonable under the circumstances."<sup>24</sup>

Due to the ongoing public health issues related to the spread of COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on June 2, 2022. The public witness hearing scheduled for June 1, 2022, was canceled because no public witness signed up to testify.<sup>25</sup> The Company and Staff participated at the evidentiary hearing.

On June 9, 2022, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") was issued. In the Report, the Senior Hearing Examiner found:

- The record supports the need for the Project to replace deteriorated infrastructure, ensure reliable performance, eliminate the risk associated with the current transmission line, and to meet current NESC standards;
- The Project is needed to support continued economic development in Henry County and the surrounding area;
- The safe, reliable, and timely construction of the Project requires a combination of existing and new ROW;
- The Project will have no material adverse impact on scenic, environmental, or historic resources;
- DEQ recommendations Nos. 1-7 and 9-12 in the DEQ Report are "desirable or necessary to minimize adverse environmental impact" associated with the Project;
- DEQ recommendation No. 8 should be rejected;
- The Company reasonably considered, and rejected, alternatives to the proposed Project;
- The Project does not represent a hazard to public health or safety; and
- The Company reasonably considered the requirements of the Virginia Environmental Justice Act ("VEJA") in its Application.<sup>26</sup>

The Senior Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; issues a CPCN to the Company to construct, own, operate, and maintain the Project; and dismisses this case from the Commission's docket of active cases.<sup>27</sup>

On June 16, 2022, the Company filed comments in support of the Report's findings and recommendations.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct the Project. The Commission finds that a CPCN authorizing the Project should be issued, subject to certain findings and conditions contained herein.

#### Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Code § 56-265.2 A 1 provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Code § 56-46.1 further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact. . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 67-101.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

<sup>23</sup> *Id.* at 5-6.

<sup>24</sup> *Id.* at 6.

<sup>25</sup> Tr. 6.

<sup>26</sup> Report at 18.

<sup>27</sup> *Id.* at 18-19.

Code § 56-46.1 B further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Code § 56-46.1 C provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, Code § 56-259 C provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

APCo represents that the Project is necessary to replace aging infrastructure due to the deteriorated condition, performance, and risk associated with the asset, including its inability to meet current NESC standards.<sup>28</sup> After investigating the Application, Staff concluded that the Company has reasonably demonstrated that the Project is needed to maintain the overall reliability of the Company's transmission system.<sup>29</sup> The Commission finds that the proposed Project is needed to replace aging infrastructure, thereby enabling the Company to maintain the overall reliability of its transmission system.

#### Economic Development

The Commission has considered the effect of the Project on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Project will support continued economic development in Henry County and the surrounding area.<sup>30</sup>

#### Rights-of-Way and Routing

APCo has adequately considered usage of existing ROW. The proposed route is largely within or parallel to the existing transmission line ROW.<sup>31</sup> Approximately six miles of transmission line will be built in the existing ROW, and approximately nine miles of transmission line will be built parallel to or near existing ROW due to outage risk and land use constraints.<sup>32</sup> APCo asserts that no feasible alternatives were identified that would address the condition, performance, and risk of the existing transmission line while continuing to serve the needs of the Company's customers, substations, and interconnection with Duke Energy at the Virginia/North Carolina border.<sup>33</sup> The Company asserts that it considered rebuilding the entire Project in existing ROW; however, due to outage constraints, the Company concluded that this was not a feasible solution.<sup>34</sup> Staff agrees with APCo that there are no feasible alternatives to the proposed Project.<sup>35</sup> The Commission agrees with the Senior Hearing Examiner that the safe, reliable, and timely construction of the Project requires a combination of existing and new ROW.<sup>36</sup>

#### Impact on Scenic Assets and Historic Resources

As noted above, the Project will be constructed largely within or parallel to the existing transmission line ROW. The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Virginia Department of Historic Resources, and environment of the area concerned, as required by Code § 56-46.1 B, subject to the recommendations provided in the following section.

#### Environmental Impact

Pursuant to Code § 56-46.1 A and B, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Project by state agencies concerned with environmental protection.

The Commission finds that there are no material adverse environmental impacts that would prevent the construction or operation of the Project. This finding is supported by the DEQ Report, as nothing therein suggests that the Project should not be constructed. The Commission finds that as a condition of approval herein, the Applicants must comply with DEQ's recommendations as provided in the DEQ Report with one exception.

<sup>28</sup> Ex. 2 (Application) at 1-2.

<sup>29</sup> Ex. 7 (Malik Direct) at Staff Report, p. 19.

<sup>30</sup> See Ex. 3 (Koehler Direct) at 3; Report at 12.

<sup>31</sup> Report at 12.

<sup>32</sup> *Id.* at 13. Two minor deviations from the existing centerline will be required to avoid constraints immediately adjacent to and within the existing ROW.

<sup>33</sup> Ex. 2 (Response to Guidelines) at 9.

<sup>34</sup> *Id.* The Company further asserts that an in-the-clear alternative deviating significantly from the existing ROW was also considered unfeasible for this Project due to the additional impact and risk associated with acquisition of new ROW. *Id.* In addition, the Company asserts this alternative was not chosen, as rebuilding within or parallel to the existing ROW was possible for the majority of the line. *Id.*

<sup>35</sup> Ex. 7 (Malik Direct) at Staff Report, p. 15.

<sup>36</sup> Report at 13.

We agree with the Senior Hearing Examiner that, as stated in Company's rebuttal testimony: DWR's recommendations present safety and reliability risks; are unduly burdensome and impractical; would adversely affect the Company's ability to timely complete the Project; and are overly broad, unnecessary, and unreasonable under the circumstances.<sup>37</sup> Accordingly, we do not adopt recommendation No. 8 in the DEQ Report.

#### Environmental Justice

The Virginia Environmental Justice Act sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>38</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>39</sup>

APCo confirmed that the Project will largely be rebuilt within or parallel to the existing ROW, which has been in place for more than 70 years and will not be relocated to other communities not already affected by the existing transmission line.<sup>40</sup> The Company further asserts that the proposed route will not have a disproportionately high or adverse impact on environmental justice communities, as defined in the VEJA.<sup>41</sup> Staff concluded that the Project does not appear to have a disproportionate adverse impact on historically economically disadvantaged communities or environmental justice communities.<sup>42</sup>

We agree with the Senior Hearing Examiner that the Company has reasonably considered the requirements of the VEJA in its Application.<sup>43</sup>

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Senior Hearing Examiner are adopted.
- (2) APCo is authorized to construct and operate the Project as proposed in its Application, subject to the findings and conditions imposed herein.
- (3) Pursuant to Code §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Project is granted as provided for herein, subject to the requirements set forth herein.
- (4) Pursuant to the Utility Facilities Act, Code § 56-265.1 *et seq.*, the Commission issues the following CPCN to APCo:
 

Certificate No. ET-APCO-HRY-2022-A, which authorizes Appalachian Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Henry County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00219, cancels Certificate No. ET-38i, issued to Appalachian Power Company in Case No. PUE-1993-00001 on June 11, 1993.
- (5) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map that shows the routing of the transmission line approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@sec.virginia.gov](mailto:mike.cizenski@sec.virginia.gov).
- (6) Upon receiving the map directed in Ordering Paragraph (5), the Commission's Division of Public Utility Regulation forthwith shall provide the Company a copy of the CPCN issued in Ordering Paragraph (4) with the map attached.
- (7) The Project approved herein must be constructed and in service by July 31, 2025. No later than 90 days before the in-service date approved herein, for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.
- (8) This matter is dismissed.

<sup>37</sup> *Id.* at 16.

<sup>38</sup> Code § 2.2-235.

<sup>39</sup> Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, Doc. Con. Cen. No. 210210007, Final Order at 14-15 (Feb. 1, 2021).

<sup>40</sup> Ex. 6 (Pardis Direct) at 10.

<sup>41</sup> *Id.* at 11.

<sup>42</sup> Ex. 7 (Malik Direct) at Staff Report, p. 19.

<sup>43</sup> Report at 17.

**CASE NO. PUR-2021-00228  
JANUARY 26, 2022**

APPLICATION OF  
UNITED ENERGY TRADING, LLC

For a license to conduct business as a competitive service provider

**ORDER GRANTING LICENSE**

On December 15, 2021, United Energy Trading, LLC ("United" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider.<sup>1</sup> United seeks authority to provide retail natural gas supply service to eligible commercial, industrial, and governmental customers throughout Virginia.<sup>2</sup> In its Application, the Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").<sup>3</sup>

On December 28, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") that, among other things, required the Company to serve a copy of the Procedural Order electronically upon certain utilities on or before December 30, 2021, and to file proof of service on or before January 5, 2022. The Procedural Order also permitted interested persons to comment on the Company's Application and directed the Commission's Staff ("Staff") to investigate United's Application and present its findings in a report ("Report") to be filed on or before January 14, 2022. Finally, the Procedural Order allowed United to file a response to the Report and to any comments filed in this case.

On January 4, 2022, United filed proof of service in accordance with the Commission's Procedural Order. No interested persons commented on the Company's Application.

On January 14, 2022, Staff filed its Report as directed.<sup>4</sup> The Report detailed Staff's investigation of United's proposal, including Staff's evaluation of the Company's financial condition and technical fitness. Based on its review of the Application, Staff recommended the following:

- that the Commission grant United a license to conduct business as a competitive service provider of natural gas supply service to commercial, industrial, and governmental customers throughout Virginia, contingent upon proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of \$25,000;<sup>5</sup>
- that United establish an escrow account with a Virginia financial institution to comply with the requirements in 20 VAC 5-312-90 for the protection of any customer deposits or prepayments;<sup>6</sup>
- that United be required to file proof of its firm transportation and storage capacity rights at least 30 days prior to serving any essential human needs customers, as assurance that it will be able to meet the firm delivery service requirements of those customers;<sup>7</sup> and
- a periodic review of the level of financial security that is commensurate with United's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction in the future.<sup>8</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that United's Application for a license to provide competitive natural gas supply service should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) United is hereby granted license No. G-58 to provide competitive natural gas supply service to eligible commercial, industrial, and governmental customers throughout Virginia. This license to act as a natural gas supplier is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) United shall provide to Staff proof of a performance bond or other acceptable financial security instrument, made payable to the Commonwealth of Virginia, in the amount of \$25,000.

<sup>1</sup> The Company filed public and confidential versions of its Application on September 23, 2021, and September 28, 2021, respectively. United then filed supplemental Application information on November 3, 2021, and a Motion for Protective Order on December 15, 2021, completing its Application.

<sup>2</sup> Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

<sup>3</sup> 20 VAC 5-312-10 *et seq.*

<sup>4</sup> United did not file any response to the Report.

<sup>5</sup> Report at 4.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* See also Code § 56-235.8 F 1 and Retail Access Rule 5-312-40 A 17.

<sup>8</sup> Report at 5.

(3) United shall establish an escrow account with a Virginia financial institution to comply with the requirements in Retail Access Rule 20 VAC 5-312-90 for the protection of any customer deposits or payments.

(4) United shall file proof of its firm transportation and storage capacity rights at least 30 days prior to serving any essential human needs customers, as assurance that it will be able to meet the firm delivery service requirements of those customers.

(5) Staff shall conduct a periodic review of the level of financial security that is commensurate with United's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.

(6) This license is not valid authority for the provision of any product or service not identified within the license itself.

(7) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

## CASE NO. PUR-2021-00229 JULY 1, 2022

### PETITION OF VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause, designated Rider SNA under § 56-585.1 A 6 of the Code of Virginia

### FINAL ORDER

On October 5, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") for approval of a rate adjustment clause ("RAC"), designated Rider SNA, pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities, 20 VAC 5-204-5 *et seq.* Through its Petition, the Company seeks approval of a RAC for the costs associated with preparing Petitions for Subsequent License Renewal ("SLR") to the Nuclear Regulatory Commission ("NRC") to extend the operating licenses of (the "SLR Component"), and the projects reasonably appropriate to upgrade or replace systems and equipment deemed to be necessary to operate safely and reliably, Dominion's Surry Units 1 and 2 and North Anna Units 1 and 2 in an extended period of operation<sup>1</sup> (the "Capital Upgrade Component") (collectively, the SLR Component and the Capital Upgrade Component comprise the "Nuclear Life Extension Program" or the "Program").<sup>2</sup> Specifically, the Company seeks (1) a determination that it is reasonable and prudent for the Company to pursue the nuclear license extensions and related projects, with a current cost projection of up to \$3.9 billion; and (2) approval of cost recovery through Rider SNA for Phase I of the Program, which includes the investment to date and for the following three calendar years 2022-2024, totaling approximately \$1.2 billion.<sup>3</sup>

On October 26, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Petition; scheduled a public hearing on the Petition; required Dominion to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

The Commission did not receive any written comments in this case. Notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") and the Virginia Committee for Fair Utility Rates (the "Committee"). On March 15, 2022, Consumer Counsel and the Committee filed testimony. On March 31, 2022, Staff filed testimony. On April 14, 2022, the Company filed rebuttal testimony.

On April 22, 2022, Dominion, Staff, and Consumer Counsel filed a Proposed Stipulation and Recommendation ("Stipulation") offering to resolve all issues raised in this proceeding. The Stipulation also represents that the Committee has no objection to the Stipulation.<sup>4</sup> The proposed Stipulation provides in part as follows:

1. Program and [RAC] Approval: Subject to the terms and findings below, the Company's [Program] as described in the Petition, consisting of 33 Capital Upgrade Component projects for its four nuclear generation units at the North Anna and Surry Power Stations and subsequent license renewal applications to the [NRC], is reasonably necessary and appropriate to extend the life of these generating units from 60 to 80 years, and the Company's request for a [RAC] pursuant to subdivision A 6 of § 56-585.1 of the Code of Virginia, designated Rider SNA, to recover the costs of the Program meets all statutory requirements and shall be approved.
2. Need for the Program: The Company has reasonably justified the technical need for each of the projects in the Program, and the project timelines are reasonable. Extending the life of the nuclear units will contribute to the capacity and energy requirements of the Company over the extension period. Life extension will help to meet the Company's Renewable

<sup>1</sup> The NRC has licensed each unit to run for 60 years. The "extended period of operation" is for another 20 years, up to 80 years. See Ex. 4 (Lawrence Direct) at 2 (Mr. Lawrence adopted the direct testimony prefiled by Mark D. Sartain. Ex. 24 (Lawrence Rebuttal) at 1).

<sup>2</sup> Ex. 2 (Petition) at 1. Old Dominion Electric Cooperative ("ODEC") has an 11.6% ownership interest in North Anna Units 1 and 2. All references to North Anna are for Dominion's ownership portion only (such as costs and capacity) unless otherwise noted. The Company states that it has met and continues to meet regularly with ODEC to discuss the Program and associated cumulative cashflows, and ODEC is aware of this filing with the Commission. *Id.* at n.1.

<sup>3</sup> *Id.* at 1-2. Subject to Commission approval, the Company would plan to present a "Phase II" cost recovery proposal prior to the conclusion of the Phase I period. *Id.* at 8.

<sup>4</sup> Ex. 11 (Stipulation) at 1, n.1.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Portfolio Standard ["RPS"] program requirements under the Virginia Clean Economy Act ["VCEA"]) by displacing the need for renewable energy certificate purchases from RPS eligible sources. The Program will also support system reliability as a dispatchable baseload generation resource. This finding of need is subject to the Company obtaining the necessary SLR approvals from the NRC, as well as other necessary permits to implement the proposed projects.

3. Program Costs and Benefits: While comparison data is limited, the Company has presented a reasonable estimate of the individual project and total costs associated with the Program in its Petition and supporting testimony and filing schedules. The evidence calculating net benefits of the Program to customers supports a finding that the Program is cost beneficial. This finding of reasonableness is subject to the Company obtaining the necessary SLR approvals from the NRC, as well as other necessary permits to implement the proposed projects. However, in approving this Stipulation the Commission is making no specific findings as to these cost benefit analyses.
4. Program Phasing and Cost Recovery: The Company's proposal to phase the cost recovery of the Program as described in the Petition is approved. The Commission's approval of cost recovery in this proceeding is limited to costs incurred during Phase I of the Program, including costs incurred to date and through the period 2022-2024. This finding of cost recovery is subject to the conditions agreed upon in paragraph (5) with respect to North Anna costs. The Commission's approval of cost recovery in this proceeding is not a "blank check" for the duration of the Program. The Company will submit any petition for cost recovery for Phase II of the Program prior to the conclusion of Phase I.
5. Revenue Requirement: The Company accepts Staff's recommendation to defer costs incurred after February 28, 2022, with respect to Phase I costs associated with the Program for the North Anna units as described in the pre-filed testimony of Staff Witness R. Chris Harris. Any such deferred costs may be requested for recovery and will be subject to further Commission approval in a subsequent Rider SNA annual update proceeding. The corrections to the initially proposed revenue requirement described in Company Witness Givens' rebuttal testimony shall be made. The approved revenue requirement for the initial rate year of Rider SNA commencing September 1, 2022 is \$106.664 million. With regard to the cost of removal incorporated in Allowance for Funds Used During Construction ("AFUDC"), the issue may be addressed in a future proceeding.
6. Program Reporting: In each annual update proceeding for Rider SNA, the Company will report on the status of the Program and any material changes to individual project or overall Program timelines or cost estimates. The Company will inform Commission Staff and the Office of the Attorney General's Division of Consumer Counsel of any material events impacting the Program.
7. Return on Equity and Capital Structure: The return on equity of 9.35% approved in Case No. PUR-2021-00058 shall apply to the Rider SNA cost recovery approved herein, as provided by statute. The Company's proposed capital structures and costs of capital for calculating the Rider SNA AFUDC factor are approved. For the Rider SNA projected cost recovery factor, the Company's actual December 31, 2020 capital structure and cost of capital approved in Case No. PUR-2021-00058 shall be utilized.
8. Cost Allocation and Rate Design: The cost allocation and rate design methodologies used by the Company for Rider SNA are approved.

Due to the ongoing public health issues related to the spread of the virus that causes COVID-19, a telephonic public witness hearing was scheduled for April 26, 2022, but was canceled because no public witness signed up to testify at the hearing.<sup>5</sup> The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on April 27, 2022.<sup>6</sup> The Company, Consumer Counsel, the Committee, and Staff participated at the hearing.<sup>7</sup>

On May 20, 2022, the Hearing Examiner issued his Report. In his Report, the Hearing Examiner found "that the unopposed Stipulation -- including the recommended \$106.664 million revenue requirement for the rate year beginning September 1, 2022 -- should be approved."<sup>8</sup> The Hearing Examiner thus recommended that the Commission enter an order that (1) adopts the findings and recommendations set forth in the Report; (2) adopts the proposed Stipulation subject to the findings and recommendations in the Report; and (3) dismisses the case from the Commission's docket of active cases.<sup>9</sup>

Consumer Counsel and the Company filed comments supporting the Report's findings and recommendations.<sup>10</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Stipulation should be adopted and the Petition, as modified thereby, should be approved.

<sup>5</sup> Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") at 3.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 79.

<sup>9</sup> *Id.* at 80.

<sup>10</sup> See Consumer Counsel Comments at 2, Dominion Comments at 3.

In approving the unopposed Stipulation, the Commission notes that, as set forth therein, approval of cost recovery in this proceeding is limited to costs incurred during Phase I of the Program, and the Commission's approval of cost recovery in this proceeding is not a "blank check" for the duration of the Program.<sup>11</sup> Further in this regard, we find the stipulated revenue requirement of approximately \$106.664 million for the September 1, 2022 through August 31, 2023 rate year ("2022 Rate Year") should be approved.

In addition, the Commission recognizes that the Stipulation requires the Company to report on the status of the Program and any material changes to individual project or overall Program timelines or cost estimates in each annual update proceeding for Rider SNA.<sup>12</sup> The Stipulation also requires the Company to inform Staff and Consumer Counsel of any material events impacting the Program.<sup>13</sup> While the Commission finds this reporting sufficient at this time, the Commission may include additional reporting requirements in future cases as circumstances warrant.

Accordingly, IT IS ORDERED THAT:

- (1) The Stipulation is adopted and the Petition, as modified thereby, is approved.
- (2) Rider SNA is approved with a 2022 Rate Year revenue requirement of \$106.664 million.
- (3) Pursuant to Code § 56-585.1 A 7, the Company shall implement Rider SNA, as approved herein, effective for usage on and after September 1, 2022.
- (4) The Company forthwith shall file Rider SNA and supporting workpapers with the Clerk of the Commission and submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (5) The Company shall file its next Rider SNA application on or before October 31, 2022.
- (6) This case is dismissed.

<sup>11</sup> As further set forth in the Stipulation adopted herein, the terms thereof represent a compromise for purposes of settlement and shall have no precedential effect. Ex. 11 (Stipulation) at ¶ 10.

<sup>12</sup> *Id.* at ¶ 6.

<sup>13</sup> *Id.*

**CASE NO. PUR-2021-00234  
JANUARY 4, 2022**

APPLICATION OF  
LUMOS TELEPHONE INC.

For amended and reissued certificates of public convenience and necessity to reflect a company name change

**ORDER NUNC PRO TUNC**

On November 5, 2021, the State Corporation Commission ("Commission") issued an Order Reissuing Certificates upon the application filed by Lumos Telephone Inc. ("Company"), requesting that the certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia issued to the Company be amended to reflect a company name change in connection with its conversion from a corporation to a limited liability company to reflect the Company's new name, Lumos Telephone LLC. It has come to the attention of the Commission that an error was made in the Order Reissuing Certificates on the number for one of the reissued certificates.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that an Order *Nunc Pro Tunc* should be entered to revise Ordering Paragraph (7) of the Order Reissuing Certificates issued in this case.

Accordingly, IT IS ORDERED THAT:

- (1) Ordering Paragraph (7) of the November 5, 2021 Order Reissuing Certificates is removed and replaced, *nunc pro tunc*, with the following:
  - (7) The certificate of public convenience and necessity to provide interexchange telecommunications services in the Commonwealth of Virginia, Certificate No. TT-54b, heretofore issued to Lumos Telephone Inc., is hereby cancelled and shall be reissued as Certificate No. TT-54c in the name Lumos Telephone LLC.
- (2) This case is dismissed.

**CASE NO. PUR-2021-00236  
JULY 15, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For approval to continue rate adjustment clause, the EE-RAC, and for approval of a new energy efficiency program pursuant to §§ 56-585.1 A 5 c and 56-596.2 of the Code of Virginia

**FINAL ORDER**

On November 30, 2021, Appalachian Power Company ("APCo" or "Company"), pursuant to §§ 56-585.1 A 5 and 56-596.2 of the Code of Virginia ("Code") and the Final Order of the State Corporation Commission ("Commission") in Case No. PUR-2020-00251,<sup>1</sup> filed with the Commission a petition ("Petition") for approval of the continued implementation of its rate adjustment clause ("EE-RAC") to recover the costs of its existing portfolio ("EE Portfolio") of energy efficiency ("EE") and demand response programs, as well as for approval of one new EE pilot program, the Commercial and Industrial ("C&I") Custom Pilot Program.

In its Petition, APCo requested Commission approval to implement the C&I Custom Pilot Program for a three-year period starting January 2023.<sup>2</sup> The Company stated that through the proposed pilot program, qualifying C&I customers will be able to earn incentives for EE improvements that are not already covered by existing programs in APCo's EE Portfolio.<sup>3</sup> The Company further stated that C&I customers will be able to implement non-standard and more complex EE projects that are unique to their facilities and operations.<sup>4</sup> APCo indicated that it will offer incentives based on resultant, verified savings and that the Company and its partners will work with participating customers throughout the pilot program to refine goals and performance.<sup>5</sup>

APCo also requested approval to continue the EE-RAC for the rate year of September 1, 2022, through August 31, 2023 ("2022 Rate Year"), to recover: (i) 2022 Rate Year costs associated with the Company's EE Portfolio ("Projected Factor"); and (ii) any (over)/under recovery of costs associated with the EE Portfolio through August 31, 2022 ("True-Up Factor").<sup>6</sup> APCo represented that it calculated the margin on EE program expenses incurred through December 31, 2021, based on a return on common equity of 9.2%, as authorized by the Commission in Case No. PUR-2020-00015.<sup>7</sup> The Company indicated that it excluded margins on projected EE program expenses after January 1, 2022, from the revenue requirement and will seek recovery of these margins in a future true-up proceeding.<sup>8</sup>

The Company also proposed to extend the period between EE-RAC filings to two years.<sup>9</sup> APCo stated that it does not anticipate the immediate need to initiate any new programs in the interim and that the revenue requirement proposed in the second year would be substantially the same as the revenue requirement proposed in this case.<sup>10</sup> If granted, the Company proposes to provide the Commission with reporting on program costs, revenues, participation, and other relevant information at the one-year point.<sup>11</sup> APCo represents that this proposal will in no way change how the Company conducts its programs, opt-out or stakeholder processes.<sup>12</sup>

On December 20, 2021, the Commission issued an Order for Notice and Hearing that, among other things, docketed this case; required the Company to provide notice of the Petition; established a schedule for the submission of notices of participation and prefiled testimony; scheduled a public hearing on the Petition; directed the Staff of the Commission ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter and to file a final report.

<sup>1</sup> *Petition of Appalachian Power Company, For approval to continue rate adjustment clause, the EE-RAC, and for approval of new energy efficiency programs pursuant to §§ 56-585.1 A 5 c and 56-596.2 of the Code of Virginia*, Case No. PUR-2020-00251, Doc. Con. No. 210730134, Order Approving Rate Adjustment Clause (July 29, 2021).

<sup>2</sup> Ex. 2 (Petition) at 6.

<sup>3</sup> *Id.* at 5.

<sup>4</sup> *Id.* at 5-6.

<sup>5</sup> *Id.* at 6.

<sup>6</sup> *See id.* at 6-7; Ex. 4 (Bacon Direct) at 4-5.

<sup>7</sup> Ex. 4 (Bacon Direct) at 4; *see Application of Appalachian Power Company, For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2020-00015, 2020 S.C.C. Ann. Rept. 421, Final Order (Nov. 24, 2020).

<sup>8</sup> Ex. 4 (Bacon Direct) at 4.

<sup>9</sup> Ex. 3 (Nichols Direct) at 13.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

The Virginia Energy Efficiency Council ("VAEEC"), the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), and the VML/VACo APCo Steering Committee filed notices of participation. The Commission did not receive any written comments from members of the public on the Petition. Staff filed testimony on April 13, 2022. On May 4, 2022, APCo filed its rebuttal testimony. On May 6, 2022, Staff filed supplemental testimony. The evidentiary hearing was convened in the Commission's courtroom on May 19, 2022.<sup>13</sup> APCo, VAEEC, Consumer Counsel, and Staff participated at the hearing.

On June 15, 2022, the Hearing Examiner issued the Report of Mary Beth Adams, Hearing Examiner ("Report"). In her Report, the Hearing Examiner recommended that:

- (1) the Commission approve the C&I Custom Pilot Program;
- (2) the Commission approve a 2022 Rate Year EE-RAC revenue requirement of approximately \$17.97 million, which consists of a Projected Factor revenue requirement of approximately \$19.20 million and a True-Up Factor revenue requirement credit of approximately \$1.24 million;
- (3) the Commission approve Staff's Measurement and Verification ("M&V") recommendations for the C&I Custom Pilot Program;
- (4) the Commission approve the Company's request to extend the period between EE-RAC filings to two years;
- (5) the Commission direct the Company to file in this docket updated reporting on program costs, revenues, participation, and other relevant information, on or before November 30, 2022, and file the updated reporting on program costs, revenues, participation, and other relevant information in the next docketed EE-RAC case; and
- (6) the Commission not determine in this case that the proper metric for measuring energy savings under Code § 56-596.2 B decided in Virginia Electric and Power Company's Demand Side Management Case<sup>14</sup> should apply to APCo.<sup>15</sup>

The Company, Consumer Counsel, and Staff filed comments supporting or not opposing the Hearing Examiner's findings and recommendations. In its comments, Staff also requested, consistent with its prefiled testimony, that the Commission (1) impose cost caps on the proposed C&I Custom Pilot Program; (2) require APCo to use Construction Work in Progress ("CWIP") to recover a current return on the Volt VAR Optimization ("VVO") Pilot Program's capital investment instead of using Allowance for Funds Used During Construction ("AFUDC") to defer a return; and (3) direct APCo to include in future EE-RAC filings the specific reporting information set forth in Staff witness Mangalam's prefiled direct testimony.<sup>16</sup> Consumer Counsel likewise supported Staff's unopposed cost cap recommendation for the C&I Custom Pilot Program, should the Commission approve that program.<sup>17</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations set forth in the Report should be adopted. We also find that the unopposed requests made by Staff in its prefiled testimony and identified in its comments should be granted. Specifically, we adopt the Staff's proposed cost caps for the C&I Custom Pilot Program;<sup>18</sup> require that APCo use CWIP to recover a current return on the VVO Pilot Program's capital investment instead of using AFUDC to defer a return;<sup>19</sup> and direct APCo to include in future EE-RAC filings the specific reporting information recommended by Staff.<sup>20</sup>

We approve the Company's request to extend the period between EE-RAC filings to two years, which allows APCo to delay filing its next EE-RAC petition by an additional year, until November 30, 2023.<sup>21</sup> In doing so, the Commission notes that the EE-RAC rates approved herein would remain in effect until modified in the Company's next EE-RAC case.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations set forth in the Report are adopted, and the Company's Petition is hereby granted as set forth herein.

- (2) The Company forthwith shall file revised tariffs and supporting workpapers designed to recover a 2022 Rate Year revenue requirement of \$17.97 million with the Clerk of the Commission and shall submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives and findings set forth in this Order. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

<sup>13</sup> Due to the ongoing public health concerns related to the spread of the virus that causes COVID-19, a telephonic public witness hearing was scheduled for May 5, 2022, but was canceled because no public witness signed up to testify at the hearing. Tr. 4-5.

<sup>14</sup> See *Petition of Virginia Electric and Power Company, For approval of its 2021 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2021-00247.

<sup>15</sup> Report at 26.

<sup>16</sup> Staff Comments at 1.

<sup>17</sup> Consumer Counsel Comments at 2.

<sup>18</sup> See Ex. 9 (Mangalam Direct) at 3, 10-11.

<sup>19</sup> See *id.* at 11-12.

<sup>20</sup> See *id.* at 16-17, 18-19.

<sup>21</sup> See Ex. 13 (Nichols Rebuttal) at 1.

- (3) The EE-RAC as approved herein shall become effective for usage on and after September 1, 2022.
- (4) In future EE-RAC filings, the Company shall continue to fulfill the reporting requirements agreed to with the Staff in the form of a pre-filed exhibit(s). The Company shall continue to work with the Staff to prepare such a pre-filed exhibit(s).
- (5) APCo shall file in this docket updated reporting on program costs, revenues, participation, and other relevant information, on or before November 30, 2022.
- (6) The C&I Custom Pilot Program is approved, and the Company shall perform the M&V as recommended by Staff.
- (7) The Company shall file an updated EM&V report on or before May 1, 2023, in which it shall use sampling and statistical analysis for each program to demonstrate the extent to which actual savings are present for each program, or to explain why sampling and statistical analysis was not used for a particular program, what was used instead to determine energy savings associated with that program, and why the alternative method provides evidence of actual energy savings reasonably comparable to sampling and statistical analysis.
- (8) The Company shall file a copy of its most recent EM&V report with the filing of each future EE-RAC petition.
- (9) In every future rate adjustment clause proceeding under Code § 56-585.1 A 5, APCo shall submit evidence of the actual energy savings achieved by each specific program for which cost recovery is sought.
- (10) This case is continued.

**CASE NO. PUR-2021-00238  
JUNE 9, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider US-2, Scott, Whitehouse, and Woodland Solar Power Stations, for the Rate Year Commencing September 1, 2022

**FINAL ORDER**

On October 5, 2021, Virginia Electric and Power Company ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an annual update with respect to the Company's rate adjustment clause, Rider US-2 ("Application"). Through its Application, the Company seeks to recover costs associated with (i) the Scott Solar Facility, a 17 megawatt ("MW") (nominal alternating current ("AC")) facility located in Powhatan County; (ii) the Whitehouse Solar Facility, a 20 MW AC facility located in Louisa County; and (iii) the Woodland Solar Facility, a 19 MW AC facility located in Isle of Wight County.<sup>1</sup> In this proceeding, Dominion has asked the Commission to approve Rider US-2 for the rate year beginning September 1, 2022, and ending August 31, 2023 ("Rate Year").<sup>2</sup>

On October 29, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

No interested person filed a notice of participation or filed comments on the Application. Commission Staff ("Staff") filed testimony on February 15, 2022. On March 1, 2022, Dominion filed a letter in lieu of rebuttal testimony, stating, among other things, that the Company agrees with the updated revenue requirement presented in Staff's prefiled testimony, subject to the limitation of Rate Year recovery to the noticed amount.<sup>3</sup>

Due to the ongoing public health concerns related to the spread of the virus that causes COVID-19, a telephonic public witness hearing was scheduled for March 14, 2022, but was canceled because no public witness signed up to testify at the hearing.<sup>4</sup> The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on March 15, 2022. Dominion and Commission Staff participated at the hearing.

<sup>1</sup> Ex. 2 (Application) at 1.

<sup>2</sup> *Id.* at 4.

<sup>3</sup> Ex. 13 (Rebuttal Letter) at 2.

<sup>4</sup> Tr. 4.

On March 16, 2022, the Hearing Examiner issued the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report"). As stated in the Report,

No issues are contested in this case. Dominion accepted Staff's Rider US-2 revenue requirement of \$11.402 million for service to be rendered during the [R]ate [Y]ear. This uncontested revenue requirement is higher than proposed in the Application because it appropriately incorporates the increase in Dominion's general ROE, from 9.2% to 9.35%, approved by the Commission in November 2021. However, Dominion agreed with Staff that the revenue requirement approved in this proceeding should be limited to the noticed amount. Dominion's and Staff's revenue requirement calculations also account for the value of lost RECs during 2020 in the same manner to comply with the *2021 Rider US-2 Order*.<sup>5</sup>

The Hearing Examiner further stated:

I find that the Code and the record developed in this proceeding support Commission approval of the proposed Rider US-2 rates. The record supports a total Rider US-2 revenue requirement of \$11.402 million for service to be rendered during September 1, 2022, through August 31, 2023. However, the revenue requirement used to revise Rider US-2 rates should be limited to the proposed \$11.339 [million] total revenue requirement that was included in the public notice prescribed in this case.<sup>6</sup>

The Hearing Examiner recommended that the Commission approve an updated Rider US-2 revenue requirement calculation consistent with the findings of the Report, and approve revised Rider US-2 rates consistent with the recommendation of the Report to limit the revenue requirement used for such purposes to the amount included in the public notice.<sup>7</sup>

On March 30, 2022, the Company filed comments on the Hearing Examiner's Report requesting that the Commission issue a final order in this proceeding adopting the recommendations of the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Hearing Examiner's Report and finds that a total revenue requirement of \$11.339 million should be approved.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations set forth in the Report are adopted.
- (2) Rider US-2 is approved with a Rate Year revenue requirement of \$11.339 million.
- (3) The Company forthwith shall file a revised Rider US-2 and supporting workpapers with the Clerk of the Commission and with the Commission's Division of Public Utility Regulation, as is necessary to comply with the directives set forth in this Final Order.
- (4) Pursuant to Code § 56-585.1 A 7, the Company may implement Rider US-2, as approved herein, for service rendered on and after 60 days from the date of this Final Order. Alternatively, as requested by the Company, Dominion may implement Rider US-2, as approved herein, for service rendered on and after September 1, 2022.
- (5) The Company shall file its next annual Rider US-2 application on or before October 31, 2022.
- (6) This case is dismissed.

<sup>5</sup> Report at 9 (internal citations omitted). See *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider US-2, Scott, Whitehouse, and Woodland Solar Power Stations, for the Rate Year Commencing September 1, 2021*, Case No. PUR-2020-00231, Doc. Con. Cen. No. 210710003, Final Order at 3 (July 1, 2021).

<sup>6</sup> Report at 9.

<sup>7</sup> *Id.*

**CASE NO. PUR-2021-00239  
MAY 26, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider BW, Brunswick County Power Station, for the Rate Years commencing September 1, 2022, and September 1, 2023

**FINAL ORDER**

On October 5, 2021, pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code") and the State Corporation Commission's ("Commission") Final Order in Case No. PUR-2020-00230,<sup>1</sup> Virginia Electric and Power Company ("Dominion" or "Company") filed with the Commission its biennial update with respect to the Company's rate adjustment clause Rider BW ("Application"). Through its Application, the Company seeks to recover costs associated

<sup>1</sup> *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider BW, Brunswick County Power Station, for the Rate Year commencing September 1, 2021*, Case No. PUR-2020-00230, Doc. Con. Cen. No. 210710002, Final Order (July 1, 2021).

with the Brunswick County Power Station, a 1,358 megawatt (nominal) natural gas-fired combined-cycle electric generating facility, as well as the related transmission interconnection facilities, in Brunswick County, Virginia.<sup>2</sup> Dominion has asked the Commission to approve Rider BW for a rate year beginning September 1, 2022, and ending August 31, 2023 ("2022 Rate Year"), and a rate year beginning September 1, 2023, and ending August 31, 2024 ("2023 Rate Year").<sup>3</sup>

On October 25, 2021, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled public hearings on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

No interested person filed a notice of participation or filed comments on the Application. Due to the ongoing public health concerns related to the spread of the virus that causes COVID-19, a telephonic public witness hearing was scheduled for April 5, 2022, but was canceled because no public witness signed up to testify at the hearing.<sup>4</sup> The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on April 6, 2022. Dominion and Commission Staff participated at the hearing.

On April 14, 2022, the Hearing Examiner issued the Report of Mary Beth Adams, Hearing Examiner ("Report"). In her Report, the Hearing Examiner found that an updated Rider BW with a 2022 Rate Year revenue requirement of \$144.66 million and with a 2023 Rate Year revenue requirement of \$120.39 million should be approved.<sup>5</sup> The Hearing Examiner further found that any difference between the uncontested revenue requirements calculations and the revenue requirements approved by the Commission should be captured in future true-ups.<sup>6</sup> The Hearing Examiner also found that Rider BW rates should be designed to recover the revenue requirements based on the allocation and rate design methodology supported by the Company.<sup>7</sup> The Hearing Examiner therefore recommended that the Commission issue an Order adopting the findings in the Report, approving the updated Rider BW rates as recommended in the Report, and dismissing the case.<sup>8</sup>

Pursuant to the Report and Rule 5 VAC 5-20-120 C of the Commission's Rules of Practice and Procedure, 5 VAC 5-10-20 *et seq.*, participants were provided the opportunity to file comments on the Report. Dominion and Staff both filed comments supporting the Hearing Examiner's findings and recommendations.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Report. The Commission approves an updated Rider BW with a 2022 Rate Year revenue requirement of \$144.66 million and a 2023 Rate Year revenue requirement of \$120.39 million. Rider BW rates shall be designed to recover these revenue requirements based on the allocation and rate design methodology proposed by the Company.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations set forth in the Report are adopted.
- (2) Rider BW is approved with a 2022 Rate Year revenue requirement of \$144.66 million and with a 2023 Rate Year revenue requirement of \$120.39 million.
- (3) Pursuant to Code § 56-585.1 A 7, the Company may implement Rider BW, as approved herein, for service rendered on and after 60 days from the date of this Final Order. Alternatively, as requested by the Company, Dominion may implement Rider BW, as approved herein, effective for usage on and after September 1, 2022, for the 2022 Rate Year, and effective for usage on and after September 1, 2023, for the 2023 Rate Year.
- (4) The Company forthwith shall file revisions to Rider BW and supporting workpapers with the Clerk of the Commission and submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (5) The Company shall file its next Rider BW application on or before October 31, 2023.
- (6) This case is dismissed.

<sup>2</sup> Ex. 2 (Application) at 1.

<sup>3</sup> *Id.* at 4.

<sup>4</sup> Tr. 5.

<sup>5</sup> Report at 9.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

**CASE NO. PUR-2021-00242  
JANUARY 20, 2022**

APPLICATION OF  
CENTURYTEL BROADBAND SERVICES, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On October 1, 2021, CenturyTel Broadband Services, LLC ("CTBS" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("Certificates") to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia. The Company requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). The Company also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

On November 5, 2021, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed CTBS to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On December 9, 2021, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On January 11, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.*, and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq.*<sup>2</sup> Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to CTBS subject to the following condition: CTBS should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time.<sup>3</sup> Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.<sup>4</sup>

On January 11, 2022, CTBS filed a letter stating that it waives the opportunity to file a response to the Staff Report, supports the findings in the Staff Report, and requests that the Commission grant the relief requested in its Application.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to CTBS. Having considered Code § 56-481.1, the Commission finds that CTBS may price its interexchange services competitively. Further, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.<sup>5</sup>

Accordingly, IT IS ORDERED THAT:

(1) CTBS is hereby granted Certificate No. T-785 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) CTBS is hereby granted Certificate No. TT-317A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, CTBS may price its interexchange telecommunications services competitively.

(4) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If CTBS elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) CTBS shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(6) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(7) This case is dismissed.

<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> See Staff Report at 5.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.



**CASE NO. PUR-2021-00243  
FEBRUARY 28, 2022**

APPLICATION OF  
SOUTHWESTERN VIRGINIA GAS COMPANY

For approval pursuant to Chapter 4 of Title 56 of the Virginia Code

**ORDER GRANTING AUTHORITY**

On December 1, 2021, Southwestern Virginia Gas Company ("SVG" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of an affiliate agreement ("Proposed Agreement") among SVG, Southwestern Virginia Energy Industries, Ltd. ("Energy"), Midway Bottled Gas Company ("Midway"), and Southwestern Virginia Gas Service Corporation ("Service Corp."), pursuant to Chapter 4<sup>1</sup> of Title 56 of the Code of Virginia. The Application was filed to comply with the Commission's Order Dismissing Proceeding in the Company's most recently completed Annual Informational Filing,<sup>2</sup> which included a directive for the Company to "complete its review and file for approval of or revision to any affiliate agreements or contracts pursuant to [the Affiliates Act]."<sup>3</sup>

According to the Application, the Proposed Agreement is intended to consolidate and update previously approved arrangements pertaining to (1) management fees charged by SVG to Midway and Service Corp.; (2) propane purchases by SVG from Midway; and (3) third party service provider cost allocation methodologies for common costs.<sup>4</sup>

Along with the request for approval of the Proposed Agreement, the Application includes a discussion of additional approved affiliate arrangements and agreements, as directed in the AIF Order.<sup>5</sup> In the Application, the Company notes that there have not been any changes in the terms and conditions of the Ongoing Agreements.<sup>6</sup> The Company states that it did not, therefore, include the arrangements described in the Ongoing Agreements in the Proposed Agreement, and the Company is not seeking Commission approval related to the Ongoing Agreements.<sup>7</sup> The Company requests, however, that should the Commission determine that additional review of the Ongoing Agreements is necessary, any such review be conducted in the instant proceeding to minimize the costs and burden of additional review.<sup>8</sup> In its Action Brief, Staff recommends that the Ongoing Agreements continue under their existing approval coincident with the Proposed Agreement's approval for five years, at which time the Company can file a complete application for updated renewal of the Proposed Agreement and Ongoing Agreements' authority.<sup>9</sup>

Staff notes in its Action Brief that an additional arrangement, not mentioned in the Application, pertains to an office rental arrangement that was authorized for the purpose of reimbursing SVG for portions of office space used by common officers of SVG and Energy. Staff states in its Action Brief that the Company has represented that this arrangement is no longer relevant and should not be continued.<sup>10</sup> Staff recommends that the Commission terminate its approval of the Ended Agreements.<sup>11</sup>

<sup>1</sup> Code § 56-76 *et seq.* ("Affiliates Act").

<sup>2</sup> *Application of Southwestern Virginia Gas Company, For an Annual Informational Filing*, Case No. PUR-2020-00255, Doc. Con. Cen. No. 210410059, Order Dismissing Proceeding (Apr. 5, 2021) ("AIF Order").

<sup>3</sup> AIF Order at 3. On October 5, 2021, in response to a motion filed by the Company, the Commission granted the Company's request for additional time to complete such review and directed the Company to submit its comprehensive affiliate agreement(s) filing no later than December 1, 2021.

<sup>4</sup> *See* Application at 4-6. The Application states that the allocation methodologies used by third party service providers are not subject to the Affiliates Act, as third-party service providers are not part of any arrangement between SVG and its affiliates. However, based on Staff's recommendation in SVG's most recently completed Annual Informational Filing, the Company states it has agreed to include the basis for the allocation of these costs for transparency and to provide an efficient means to reflect any future updates. *Id.* at 4-5.

<sup>5</sup> *See id.* at 6-7. These arrangements include an agreement between SVG and Southwestern Virginia Energy Industries Ltd. Stock Ownership Plan; employment agreements with affiliated individuals that hold 10% or more of an interest in SVG ("Employment Agreements"); an arrangement between SVG and Batt's Neck Limited Partners for use of an office building; and a consolidated tax allocation arrangement between SVG, C.T. Williams & Company, Energy, Service Corp., and Midway (collectively "Members") under which, among other things, C.T. Williams & Company files consolidated federal and state tax returns on behalf of the Members (collectively, the "Ongoing Agreements"). *See also* Appendix D to the Commission Staff's ("Staff") Action Brief ("Action Brief") filed contemporaneously with this Order.

<sup>6</sup> Application at 7. The Application noted, however, that only one affiliated individual remains employed by SVG and the terms of the employment remain consistent with the approved Employment Agreement. *Id.*

<sup>7</sup> *Id.* at 8.

<sup>8</sup> *Id.* at 8 n.11.

<sup>9</sup> Action Brief at 6.

<sup>10</sup> *See id.* The Action Brief refers to the office rental arrangement between SVG and Energy and the two Employment Agreements with individuals who are no longer employees of SVG as the "Ended Agreements." *See id.* at 6 and Appendix D.

<sup>11</sup> *Id.* at 6. Staff notes in its Action Brief that the Company reviewed a draft of the Action Brief and does not oppose Staff's recommendations.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION, upon consideration of this matter and having been advised by Staff through Staff's Action Brief and having considered SVG's comments thereon, is of the opinion and finds as follows: (1) the Proposed Agreement is in the public interest and shall be approved; (2) the Commission's approval of the Proposed Agreement is limited to five years from the date of this Order; (3) should SVG wish to continue to receive services under the Proposed and Ongoing Agreements<sup>12</sup> after that date, SVG shall submit the Proposed and Ongoing Agreements for renewed approval prior to the expiration of such authority; and (4) the authority for the Ended Agreements is no longer necessary and shall be terminated.

Accordingly, IT IS ORDERED THAT:

- (1) The Proposed Agreement is hereby approved, subject to the requirements herein and in the Appendix attached to this Order.
- (2) The Commission's approval of the Proposed Agreement is limited to five years from the date of this Order.
- (3) Should SVG wish to continue to receive services under the Proposed and Ongoing Agreements beyond the expiration of such approval, SVG shall submit the Proposed and Ongoing Agreements for renewed approval prior to the expiration of such approval.
- (4) The authority for the Ended Agreements is hereby terminated.
- (5) This case is dismissed.

<sup>12</sup> Appendix D to Staff's Action Brief in this case.

#### APPENDIX

- (1) The Commission's approval of the Proposed Agreement shall be limited to five (5) years from the effective date of the Order in this case. If the Company wishes to continue under the Proposed Agreement beyond that date, separate Commission approval should be required.
- (2) The Commission's approval shall have no accounting or ratemaking implications.
- (3) The Commission's approval shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.*, hereafter.
- (4) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.
- (5) Separate Commission approval shall be required for any changes in the terms and conditions of the Proposed Agreement.
- (6) The Commission's approval shall be limited to the specific services ("Services") identified in the Proposed Agreement. If the Company wishes to provide to or receive additional services not specifically identified and approved pursuant to the Proposed Agreement, separate Commission approval should be required.
- (7) The Company shall be required to maintain records, available to Staff upon request, demonstrating that the SVG Services provided to its affiliates, and the affiliates' Services provided to SVG, are cost beneficial to Virginia ratepayers. SVG Services provided to Midway or Service Corp. shall be priced at the higher of cost or market where a market exists. SVG Services received from Midway or Service Corp. shall be priced at the lower of cost or market where a market exists. SVG shall bear the burden of proving, in any rate proceeding, that the Services exchanged between SVG and Midway or Service Corp. are priced in accordance with the Commission's asymmetric pricing policy as described above.
- (8) The Company shall file with the Commission an executed copy of the Proposed Agreement within thirty (30) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").
- (9) The Company shall submit to the Commission's UAF Director an electronic copy of the currently operative Ongoing Agreements within thirty (30) days of the effective date of the Order in this case, subject to administrative extension by the Commission's UAF Director.
- (10) SVG shall include all transactions under the Proposed Agreement and Ongoing Agreements in the Company's Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director by April 1 of each year, subject to administrative extension by the UAF Director. SVG shall provide schedules, in Excel electronic media format with formulas included, that show all transactions by case number; affiliate; agreement/arrangement; service category; FERC account; month and amount as the transactions are recorded in SVG's books.
- (11) In the event that the Company's annual informational filings or expedited or general rate case filings are not based on a calendar year, then the Company shall include the affiliate information contained in its most recent ARAT for the test period in such filings.

**CASE NO. PUR-2021-00246**  
**APRIL 27, 2022**

JOINT PETITION OF  
 LUMEN TECHNOLOGIES INC., EMBARQ CORPORATION, UNITED TELEPHONE SOUTHEAST LLC d/b/a CENTURYLINK,  
 CENTRAL TELEPHONE COMPANY OF VIRGINIA d/b/a/ CENTURYLINK, CENTURYTEL BROADBAND SERVICES, LLC, and  
 CONNECT HOLDING, LLC

For approval of transfer of control

**FINAL ORDER**

On November 3, 2021, Lumen Technologies Inc. ("Lumen"), Embarq Corporation, United Telephone Southeast LLC ("United Telephone") d/b/a CenturyLink, Central Telephone Company of Virginia ("Central Telephone") d/b/a CenturyLink, CenturyTel Broadband Services, LLC ("CTBS"), and Connect Holding, LLC ("Connect Holding") (collectively, "Petitioners"),<sup>1</sup> completed the filing of a joint petition ("Petition") with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code").<sup>2</sup> The Petitioners requested Commission approval, to the extent required, to complete the intra-company and reorganization transactions necessary for Lumen to transfer control ("Transfer") of United Telephone, Central Telephone, and CTBS, to Connect Holding, an affiliate of Apollo and its subsidiaries.<sup>3</sup>

In support of the Petition, the Petitioners stated that Lumen currently provides broadband and other communications services to residential and enterprise customers, including incumbent local exchange carrier ("ILEC") services, through its operating subsidiaries in 37 states.<sup>4</sup> Petitioners further represented that under the terms of an agreement between Lumen and Apollo, Apollo will acquire all of Lumen's ILEC subsidiaries in 20 of these states, including United Telephone and Central Telephone (jointly, "CenturyLink ILECs") in Virginia.<sup>5</sup> The Petitioners stated that as a result of the proposed Transfer, Apollo will also assume all obligations and funding associated with the eligible telecommunications carrier designations of the CenturyLink ILECs.<sup>6</sup> The Petitioners further stated that Apollo will also acquire CTBS, which as of the time of filing of the Petition had filed an application with the Commission seeking certificates of public convenience and necessity ("Certificates") to provide competitive local exchange telecommunications services on a statewide basis and to provide interexchange telecommunications services to the customers of the CenturyLink ILECs.<sup>7</sup> The Commission granted Certificates to CTBS to operate as a competitive local exchange carrier ("CLEC") in a Final Order entered January 20, 2022.<sup>8</sup>

The Petitioners stated that the proposed Transfer is expected to occur by July 2022, contingent upon the satisfaction or waiver of other customary closing conditions and regulatory approvals.<sup>9</sup> The Petitioners also stated that the Transfer described in the Petition satisfies the statutory requirements of the Utility Transfers Act and that approval is in the public interest.<sup>10</sup> The Petitioners represent that Apollo and the team established in Connect Holding possess the requisite financial and managerial fitness and the technical resources to render local exchange telecommunications services and, therefore, the Commission should approve the proposed Transfer.<sup>11</sup>

<sup>1</sup> Apollo Global Management, Inc. ("Apollo"); AP (Connect) VoteCo LLC; AP IX Connect Holdings GP, LLC; AIF IX (Connect Equity AIV), L.P.; AP IX Connect Holdings, L.P.; Connect Parent Corporation; Connect Intermediate LLC; Connect Midco LLC; Connect Holding II, LLC; Scott Kleinman; John Suydam; and David Sambur are also considered Petitioners in this proceeding and have provided the statutorily required verifications.

<sup>2</sup> Code § 56-88 *et seq.* ("Utility Transfers Act"). The Petitioners' initial filing on October 7, 2021, was made complete by supplemental filings by the Petitioners on October 27, 2021, and November 3, 2021. On November 8, 2021, the Staff of the Commission ("Staff") filed a memorandum of completeness documenting that with the supplemental filings, the Petition was complete for purposes of the statutory requirements of the Utility Transfers Act as of November 3, 2021.

<sup>3</sup> Ex. 1 (Petition) at 1.

<sup>4</sup> *See, e.g., id.* at 2, 3.

<sup>5</sup> *Id.* at 2. The Petition states that Lumen will retain its ILEC assets in the 17 other states in its footprint, as well as its national fiber routes and competitive local exchange carrier networks. *Id.* at 7.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> *Id.* *See also, Application of CenturyTel Broadband Services, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2021-00242, Doc. Con. Cen. No. 211120053, Order for Notice and Comment (Nov. 5, 2021) ("*CTBS Certificates Case*").

<sup>8</sup> *See CTBS Certificates Case*, Doc. Con. Cen. No. 220120140, Final Order (Jan. 20, 2022).

<sup>9</sup> Ex. 1 (Petition) at 7.

<sup>10</sup> *Id.* at 3, 10.

<sup>11</sup> *See, e.g., id.* at 2, 8-10.

On November 12, 2021, the Commission issued an Order for Notice and Hearing, which found that the Petitioners should provide public notice of the Petition; public hearings should be scheduled for the purpose of receiving testimony and evidence on the Petition; interested persons should have an opportunity to file comments on the Petition or participate as a respondent in this proceeding; and the Commission's Staff should be directed to investigate the Petition and file testimony and exhibits containing its findings and recommendations. The Commission also assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission, including filing a final report containing the Hearing Examiner's findings and recommendations. Further, the Commission found, given the issues raised by the Petition, that the initial 60-day statutory review period should be extended by an additional 120 days, through May 2, 2022.

In accordance with the Commission's Order for Notice and Hearing, the Petitioners prefiled the direct testimony of four witnesses on December 13, 2021, addressing aspects of the current operations of United Telephone and Central Telephone and the plans for the ILECs and the newly formed CLEC if the proposed Transfer is approved.<sup>12</sup>

On December 30, 2021, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed its notice of participation in the case. On January 5, 2022, Charter Fiberlink VA-CCO, LLC, and Time Warner Cable Information Services (Virginia), LLC (jointly, "Charter"), filed a notice of participation in the case noting Charter's concern about the impact of the proposed Transfer on Charter's operations as a competitive carrier that relies on United Telephone and Central Telephone for wholesale access to services and facilities. Neither Consumer Counsel nor Charter prefiled testimony in the case.<sup>13</sup>

On January 27, 2022, Staff filed the testimony of three witnesses.<sup>14</sup>

On February 10, 2022, the Petitioners filed rebuttal testimony of four witnesses in response to the findings and recommendations presented by Staff.<sup>15</sup>

On February 18, 2022, the Petitioners and Staff ("Stipulating Participants") filed a Joint Motion to Approve Stipulation, together with a Joint Stipulation and attached Service Quality Settlement Term Sheet agreed to by the Petitioners and Staff.<sup>16</sup> The Joint Stipulation represents that its terms resolve all issues raised by the Stipulating Participants and provide for entry of all prefiled testimony into the record without cross-examination.<sup>17</sup> Among other things, the Joint Stipulation addresses the guarantees to be made by United Telephone and Central Telephone as part of the financing of the proposed Transfer, providing that such guarantees are to be limited to the assets of each individual ILEC.<sup>18</sup>

Additionally, the Joint Stipulation and the Service Quality Settlement Term Sheet provide the Petitioners' commitments to improve the quality of service provided to the customers of the two CenturyLink ILECs in response to concerns raised in this proceeding, and which Petitioners propose to be incorporated into any Commission Order approving the proposed Transfer.<sup>19</sup> Specifically, the Service Quality Settlement Term Sheet documents the Petitioners' Commitment on Service Quality Improvement, Targets and Associated Statewide Reporting Requirements, both before and after the completion of the proposed Transfer, On-Going Targeted Copper Rehabilitation Plans, and Reporting Requirements for Copper Projects Post-Transfer.<sup>20</sup> Further, the Service Quality Settlement Term Sheet provides that the CenturyLink ILECs do not concede that the metrics set out in 20 VAC 5-428-90 of the Commission's Rules Governing Local Exchange Telecommunications Carrier Retail Service Quality<sup>21</sup> apply given their status as competitive telephone companies pursuant to Chapter 2.1 of Title 56 of the Code.<sup>22</sup> Through the Joint Stipulation, however, the Petitioners stipulate that they will comply with the terms of the Service Quality Settlement Term Sheet and meet their commitments and related reporting requirements following completion of the proposed Transfer.<sup>23</sup>

A virtual hearing was held for public witness testimony on February 23, 2022, during which nine public witnesses appeared to testify telephonically.<sup>24</sup> The public witnesses appeared in their capacity as individual customers of either United Telephone or Central Telephone, and/or in their capacity as local public officials in the service territory of the CenturyLink ILECs.<sup>25</sup>

<sup>12</sup> See, e.g., Ex. 3 (Carroll); Ex. 4 (Sobel); Ex. 5 (Maguire); Ex. 6 (Balhoff).

<sup>13</sup> Charter subsequently withdrew its notice of participation as a respondent on February 11, 2022.

<sup>14</sup> See, e.g., Ex. 7 (Knight); Ex. 8/8C/8ES (Gereaux); Ex. 9 (King).

<sup>15</sup> See, e.g., Ex. 10 (Carroll); Ex. 11 (Sobel); Ex. 12 (Maguire); Ex. 13 (Balhoff).

<sup>16</sup> See Ex. 14. Although not a signatory to the Joint Stipulation, at the February 24, 2022 evidentiary hearing, Consumer Counsel stated support for Commission approval of the Joint Stipulation. See Tr. 86-88.

<sup>17</sup> See Ex. 14 at Joint Stipulation, par. 3, 4.

<sup>18</sup> See *id.* at Joint Stipulation, par. 5; see also, Tr. 81.

<sup>19</sup> See, e.g., Ex 14 at Joint Stipulation Par. 6-8; Tr. 81-82.

<sup>20</sup> See Ex. 14 at Joint Stipulation Exhibit A (Service Quality Settlement Term Sheet, par 1-4).

<sup>21</sup> 20 VAC 5-428-10 *et seq.*

<sup>22</sup> See Ex. 14 at Joint Stipulation Exhibit A (Service Quality Settlement Term Sheet, par 5).

<sup>23</sup> See *id.* at Joint Stipulation, par. 6, 8.

<sup>24</sup> Tr. 1-68.

<sup>25</sup> See Tr. 8-62.

Donna Price, Supervisor of the Scottsville Magisterial District in Albemarle County and Chair of the Albemarle County Board of Supervisors, described significant service quality difficulties experienced by CenturyLink customers in her area regarding telephone and internet service. She testified that her region has experienced numerous outages, frequently occurring after storms, associated with failing infrastructure. She also noted that Albemarle's rolling hills and mountains hinder reliable cell phone coverage, making reliable copper-based telephone service even more important to residents, particularly as a means of dialing 911 in emergencies. In addition, she discussed the written comments submitted by the Albemarle County Board of Supervisors and her Board's recommendations for the imposition of conditions associated with the approval of the proposed Transfer.<sup>26</sup>

Debbie Price Donehey, Chair of the Rappahannock County Board of Supervisors, shared her concerns regarding her county's ongoing struggle to obtain reliable landline telephone service. She maintained that management of the telephone company has not lived up to commitments to individual customers or to governmental officials who have intervened on behalf of customers. She noted that many residents of Rappahannock County lack cell phone or internet service in their homes and provided specific examples of the difficulties several elderly and ill residents have experienced during outages.<sup>27</sup>

Cheryl Cullers, Chair of the Warren County Board of Supervisors, explained that CenturyLink is the main telephone provider in Warren County. She testified that Warren County's 911 call center lost communications with the Front Royal police department on May 29, 2020, when a copper trunk was flooded, and service was not restored until May 31, 2020. She represented that the same outage impacted a large area of Warren County, including a significant elderly population lacking an alternative means of calling for 911 service. Furthermore, she described areas of Warren County where lines have just been placed in ditches and poles are broken.<sup>28</sup>

Jesse Rutherford, a member of the Nelson County Board of Supervisors, testified that he has experienced service quality issues relative to telephone and internet, and that he believes such issues were caused by a lack of maintenance and infrastructure improvements. In addition, he described the dangers associated with outages relating to medical devices and the lack of alternative communication sources, particularly for the elderly.<sup>29</sup>

Thomas Jordan Miles, III, Maysville District Supervisor for the Buckingham County Board of Supervisors, explained that many residents in his area, including school children and the elderly, rely upon CenturyLink for their telephone and internet service. He represented that there is an urgent need to address CenturyLink's inadequate services, constant outages, and long wait times. He testified that he receives daily complaints from his constituents about outages. He asked the Commission to hold the acquiring entity accountable for addressing outages more quickly and for investing in troubled and failing infrastructure.<sup>30</sup>

Ann Huckle Mallek testified in part that she is a longtime resident of Albemarle County and that she supports the comments of the Albemarle Broadband Authority and the Albemarle County Board of Supervisors (and the complaints of residents attached to such comments). She urged the Commission to use its authority to make sure that excellent service, equipment upgrades, and a commitment to caring for customers is brought back into the operations of the landline provider.<sup>31</sup>

Randall George Bartlett testified that he lives in Huntley, Virginia, and is a customer of CenturyLink. He represented that he was previously employed in the telecommunications industry and has unique insight into expected service standards. He described a pattern of deterioration in CenturyLink's performance and response to outages and detailed a particular incident that occurred in November 2021 that resulted in the loss of telephone service for approximately 28 days. In his assessment, CenturyLink has abandoned a portion of its business by shifting funds, offshoring, subcontracting, and avoiding costs while attempting to sell off a select portion of its operations. He hopes the Commission can provide some accountability associated with CenturyLink's actions and help ensure the safety of the area's citizens.<sup>32</sup>

Alice Duty, a resident of Dillwyn, Virginia, testified in part that she and her husband both lose telephone service every time that it rains, and that some of the more recent outages have lasted several days.<sup>33</sup> Margaret John Snoddy, a resident of Scottsville in Buckingham County, Virginia, testified that there has been a significant deterioration of CenturyLink's service over the last five years. She discussed her belief that CenturyLink has not been putting money into the modernization of lines in her area, and her specific struggles with service including lines going dead, hearing a dial tone but being unable to make or receive calls, experiencing a constant clicking or static impeding her ability to hear the other person on a call, and experiencing at least one call a day being dropped.<sup>34</sup>

On February 24, 2022, an evidentiary hearing was convened wherein pursuant to the terms of the Joint Stipulation and with the concurrence of Consumer Counsel, all prefiled testimony of the Petitioners and Staff was moved into the record without cross-examination.<sup>35</sup> On March 8, 2022, the Senior Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"), in which the Senior Hearing Examiner reviewed the prefiled testimony of the Petitioners and Staff as well as the public witnesses who testified and the public comments filed in accordance with the Commission's Order for Notice and Hearing.

<sup>26</sup> See Tr. 9-14.

<sup>27</sup> See Tr. 15-21.

<sup>28</sup> See Tr. 22-27.

<sup>29</sup> See Tr. 28-31.

<sup>30</sup> See Tr. 31-37.

<sup>31</sup> See Tr. 37-42.

<sup>32</sup> See Tr. 42-48.

<sup>33</sup> See Tr. 51-57.

<sup>34</sup> See Tr. 58-62.

<sup>35</sup> See Tr. 70-102.

The Senior Hearing Examiner documented that 112 written comments were submitted relative to the Petition in this matter, the majority of which highlighted significant service quality and customer service issues that have impacted customers currently served by the CenturyLink ILECs in Virginia.<sup>36</sup> The Senior Hearing Examiner further stated that approximately 36 of the filed written comments supported approval of the proposed Transfer as a means of improving the telephone and internet infrastructure and service.<sup>37</sup>

In the Report, the Senior Hearing Examiner made the following findings and recommendations:

Based on the evidence in this case and the agreement of the Stipulating Participants and Consumer Counsel to the terms of the Joint Stipulation, I find the Stipulation Motion should be granted and the Joint Stipulation should be approved by the Commission.

Accordingly, **I RECOMMEND** the Commission enter an Order:

- (1) **ADOPTING** the findings of this Report;
- (2) **GRANTING** the Stipulation Motion;
- (3) **APPROVING** the Proposed Transfer subject to the terms of the Joint Stipulation, including the provisions of the Service Quality Settlement Term Sheet; and
- (4) **RETAINING** jurisdiction over this matter pending the Petitioners' compliance with the terms of the Joint Stipulation and Service Quality Settlement Term Sheet.<sup>38</sup>

The Senior Hearing Examiner provided for comments on the Report to be filed by March 15, 2022. On March 9, 2022, the Petitioners filed a letter urging the Commission to adopt the findings in the Report; grant the Joint Motion to Approve Stipulation; and approve the Transfer proposed in this case. On March 15, 2022, Staff and Consumer Counsel each filed comments in part supporting the findings and recommendations of the Senior Hearing Examiner as set out in the Report while also clarifying aspects of the analysis described in the Report. On March 22, 2022, Petitioners filed a Motion for Leave to File Reply to Staff Comments on Hearing Examiner's Report and Joint Petitioners' Reply to Staff Comments ("Motion for Leave"). On April 11, 2022, Staff filed a response to Petitioners' Motion for Leave.

NOW THE COMMISSION, upon consideration of the record herein and of the applicable law is of the opinion and finds as follows.

The Utility Transfers Act, Chapter 5 of Title 56 of the Code, § 56-88 *et seq.*, provides the Commission's jurisdiction governing the transfer of control as proposed in the Petition in this matter. Code § 56-54.5 H directs that the Commission "shall continue to enforce the Utility Transfers Act (§ 56-88 *et seq.*) regarding competitive telephone companies."

As to retail service quality, the Commission exercises limited regulatory oversight over the CenturyLink ILECs in accordance with § 56-54.5 A of the Code which provides:

The Commission may ensure competitive telephone companies provide reasonably adequate retail voice service, including rendering timely and accurate bills for service, by receiving customer complaints and requiring the competitive telephone company to reasonably address bona fide complaints as promptly as is reasonably possible under the circumstances.

<sup>36</sup> See, e.g., Report at 2. The Senior Hearing Examiner noted that this total did not include the numerous individual complaints and petitions attached to, or summarized in, the written comments of Donna Price, Chair of the Albemarle County Board of Supervisors; Debbie P. Donehey, Chair of the Rappahannock County Board of Supervisors; and Amy Walker, administrative assistant to the Patrick County Board of Supervisors, as such complaints and petitions were discussed separately and were considered by the Senior Hearing Examiner when making her recommendations in the Report. See *id.* at 2-4 and n.5.

<sup>37</sup> See *id.* at 2-3.

<sup>38</sup> *Id.* at 25 (emphasis in the original).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Each of the Century ILECs, Central Telephone and United Telephone, have taken the statutory option to elect to be regulated as "competitive telephone companies" pursuant to Chapter 2.1 of Title 56 of the Code, § 56-54.2 *et seq.*, after meeting the standard set out in Code § 56-235.5.<sup>39</sup> That is, upon the determination by the Commission that 75% of residential households or businesses in a telephone company's incumbent territory are in areas that have been determined to be competitive for a telephone service, the Commission is required to expand throughout the company's incumbent territory its competitive determination and apply the same regulatory treatment. The CenturyLink ILECs demonstrated that they met the 75% threshold in their respective Virginia service territories in 2015 and elected to be regulated as competitive telephone companies in 2016.<sup>40</sup> Since that time, as explained by Staff witness King, the CenturyLink ILECs have been the subject of three separate corrective actions by the Commission arising from unacceptable levels of customer complaints regarding the adequacy of the telephone service provided.<sup>41</sup>

The Commission is cognizant of and troubled by the numerous complaints regarding the deficiencies in the level of service quality, in terms of poor quality, repeated loss of service, and lengthy delays in repairs and restoration of service, from customers of the CenturyLink ILECs arising both before and during the course of this proceeding. The Joint Stipulation and Service Quality Settlement Term Sheet proposed herein by the Petitioners and Staff (and supported by Consumer Counsel) are designed to address these issues in a reasonable and timely manner and on an on-going basis. The Commission will approve those agreements herein and through its Staff monitor their implementation. The Service Quality Settlement Term Sheet provides a path forward for addressing the on-going service quality related issues that have arisen within the incumbent service territories of both United Telephone and Central Telephone while under the control of its current parent company, Lumen, and also establish the standard that the CenturyLink ILECs will be held to following the transfer of control to Apollo and under guidance of the management team established in Connect Holding.

We agree with Petitioners and Staff that adoption of the Joint Stipulation and the Service Quality Settlement Term Sheet is in the public interest, and find that subject to the requirements contained therein, the proposed Transfer should be approved. We further find that the findings and recommendations set forth in the Senior Hearing Examiner's Report should be adopted, including retaining jurisdiction over this matter regarding the Petitioners' compliance with the terms of the Joint Stipulation and Service Quality Settlement Term Sheet.

Finally, based on our findings herein, the Commission need not reach the legal question regarding the extent to which Code § 56-90 applies to the instant case.<sup>42</sup> We do so without prejudice for Staff or any interested party to raise the issue in an appropriate future proceeding.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the Utility Transfers Act, the proposed Transfer is approved subject to the terms of the Joint Stipulation including the provisions of the Service Quality Settlement Term Sheet.

(2) The Stipulation and Service Quality Settlement Term Sheet, attached hereto as Attachment A, are approved.

(3) The findings and recommendations as set forth in the Senior Hearing Examiner's Report are hereby adopted.

(4) The Petitioners' Motion for Leave is denied.

(5) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(6) The Commission retains jurisdiction over this matter regarding the Petitioners' compliance with the terms of the Joint Stipulation and Service Quality Settlement Term Sheet.

(7) This matter is continued.

<sup>39</sup> See *In the matter of Central Telephone Company of Virginia d/b/a CenturyLink, Notice of election to be regulated as a competitive telephone company*, Case No. PUC-2016-00010, 2016 S.C.C. Ann. Rept. 187, Order (Mar. 16, 2016); *In the matter of United Telephone Southeast LLC d/b/a CenturyLink, Notice of election to be regulated as a competitive telephone company*, Case No. PUC-2016-00037, Doc. Con. Cen. No. 160550167, Order (May 27, 2016).

<sup>40</sup> See, e.g., *Application of Central Telephone Company of Virginia d/b/a CenturyLink, To expand the competitive determination for certain residential retail services throughout its incumbent territory*, Case No. PUC-2015-00047, 2016 S.C.C. Ann. Rept. 160, Final Order (Feb. 18, 2016); *Application of United Telephone Southeast LLC d/b/a CenturyLink, To expand the competitive determination for certain residential retail services throughout its incumbent territory*, Case No. PUC-2015-00063, 2016 S.C.C. Ann. Rept. 163, Final Order (Apr. 28, 2016). Pursuant to Code § 56-235.5, the Commission must "consider all wireless communications providers that offer voice communications services to be facilities-based competitors owning wireline network facilities and reasonably meeting the needs of consumers." In other words, in determining whether 75% of customers in a region have access to competitive telephone service, the Commission was required to consider cellular options on an equal footing with traditional facilities-based (e.g., copper or fiber) service.

<sup>41</sup> See, e.g., Ex. 9 (King) at 12-13.

<sup>42</sup> Given the Commission's determination in this regard, Petitioners' Motion for Leave is now moot, and therefore will be denied.

NOTE: A copy of Attachment A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. PUR-2021-00247  
AUGUST 10, 2022**

PETITION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of its 2021 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia

**FINAL ORDER**

On December 14, 2021, Virginia Electric and Power Company ("Dominion" or "Company") made a filing pursuant to § 56-585.1 A 5 of the Code of Virginia ("Code"), the Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities<sup>1</sup> of the State Corporation Commission ("Commission"), the Commission's Rules Governing Utility Promotional Allowances,<sup>2</sup> the Commission's Rules Governing Cost/Benefit Measures Required for Demand-Side Management Programs,<sup>3</sup> the Commission's Rules Governing the Evaluation, Measurement and Verification of the Effects of Utility-Sponsored Demand-Side Management Programs,<sup>4</sup> and the directive contained in Ordering Paragraph (4) of the Commission's September 7, 2021 Final Order in Case No. PUR-2020-00274.<sup>5</sup> Specifically, Dominion filed with the Commission its petition requesting (1) approval to implement new demand-side management ("DSM") programs, including approval of additional funding<sup>6</sup> and extension of existing DSM programs;<sup>7</sup> (2) approval to increase funding for customer awareness and marketing to drive increased participation in the Company's DSM programs; and (3) approval of an annual update to continue rate adjustment clauses designated Riders C1A, C2A, C3A, and C4A ("Petition").<sup>8</sup>

In its Petition, the Company requests approval to implement the following new programs as the Company's "Phase X" programs, which include "energy efficiency" ("EE") DSM programs, as this term is defined by Code § 56-576:<sup>9</sup>

- Residential Income and Age Qualifying Home Energy Report (EE)
- Non-residential Income and Age Qualifying Program for Health Care and Rental Property Owners (EE)
- Small Business Behavioral (EE)
- Non-residential Data Centers and Server Rooms (EE)
- Non-residential Health Care (EE)
- Non-residential Hotel and Lodging (EE)
- Voltage Optimization (EE)
- Enhancement of the Residential Income and Age Qualifying Home Improvement (EE)
- Extension of the Non-residential Lighting Systems & Controls Program (EE)<sup>10</sup>

The Company proposes an aggregate total cost cap for the Phase X programs in the amount of approximately \$140 million.<sup>11</sup> Additionally, the Company requests the ability to exceed the spending cap by no more than 15 percent.<sup>12</sup>

<sup>1</sup> 20 VAC 5-204-5 *et seq.*

<sup>2</sup> 20 VAC 5-303-10 *et seq.*

<sup>3</sup> 20 VAC 5-304-10 *et seq.*

<sup>4</sup> 20 VAC 5-318-10 *et seq.*

<sup>5</sup> *Petition of Virginia Electric and Power Company, For approval of its 2020 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2020-00274, Doc. Con. Cen. No. 210920009, Final Order (Sept. 7, 2021) ("2020 DSM Order").

<sup>6</sup> The Company seeks additional funding for the Company's Phase VII Residential Efficiency Products Marketplace Program. Ex. 2 (Petition) at 11.

<sup>7</sup> The Company seeks approval for future closure of the AC Cycling Program, with the ability to recover costs for program wind-down through base rates through 2023. *Id.* at 12.

<sup>8</sup> *Id.* at 2.

<sup>9</sup> *Id.* at 9.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 10. *See also* Ex. 10 (Bates Direct) at 9.

<sup>12</sup> Ex. 2 (Petition) at 10-11.



The Company also requests, through revised Riders C1A, C2A, and C3A, recovery of costs for September 1, 2022 through August 31, 2023 ("Rate Year") associated with programs previously approved by the Commission in Case No. PUE-2011-00093 ("Phase II Programs"),<sup>13</sup> Case No. PUE-2013-00072 ("Phase III Programs"),<sup>14</sup> Case No. PUE-2014-00071 ("Phase IV Programs"),<sup>15</sup> Case No. PUE-2015-00089 ("Phase V Program"),<sup>16</sup> and Case No. PUE-2016-00111 ("Phase VI Program");<sup>17</sup> in addition to projected Rate Year financing costs on the Actual Cost True-up Factor deferred balances associated with Case No. PUR-2018-00168 ("Phase VII Programs")<sup>18</sup> and Case No. PUR-2019-00201 ("Phase VIII Programs").<sup>19</sup> <sup>20</sup> Additionally, the Company requests, through recently approved Rider C4A, to recover the projected Rate Year costs for applicable programs in the Phase VII, VIII, IX, and X Programs.<sup>21</sup>

The Company further requests approval of an administrative process by which it can make modifications or adjustments to approved DSM programs, in conjunction with the annual update proceedings.<sup>22</sup>

On January 10, 2022, the Commission issued an Order for Notice and Hearing that, among other things, directed Dominion to provide notice of its Petition, provided interested persons the opportunity to comment or participate in the proceeding, directed Staff to investigate the Petition, scheduled public hearings on the Company's Petition, and assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

The following entities filed notices of participation: Appalachian Voices; the Natural Resources Defense Council ("NRDC"); the Virginia Energy Efficiency Council; and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On March 22, 2022, Appalachian Voices and the Virginia Energy Efficiency Council each filed testimony. On April 12, 2022, Staff filed the testimony of its witnesses. On April 26, 2022, Dominion filed rebuttal testimony of its witnesses.

On May 11, 2022, a public witness proceeding was conducted telephonically.<sup>23</sup> The hearing continued on May 12, 2022, pursuant to the Hearing Examiner's Ruling dated April 8, 2022, in the Commission's courtroom to hear testimony and accept evidence on the Company's Petition. On June 2, 2022, the Company, Appalachian Voices, NRDC, the Virginia Energy Efficiency Council, Consumer Counsel, and Staff filed post-hearing briefs.

On June 24, 2022, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") was issued. The Report contained the following findings and recommendations:<sup>24</sup>

1. The Commission should approve the Company's proposed Phase X DSM Programs, including the proposed Enhancement of the Residential IAQ Home Improvement (EE) Program (initially approved in Phase IX) and Extension of the Non-residential Lighting Systems & Controls (EE) Program (initially approved in Phase VII);
2. The Commission should approve the Company's request for the operation of the Phase X Programs, as well as previously approved DSM programs, without predetermined closure dates;

<sup>13</sup> *Application of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2011-00093, 2012 S.C.C. Ann. Rept. 298, Order (Apr. 30, 2012).

<sup>14</sup> *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2013-00072, 2014 S.C.C. Ann. Rept. 289, Final Order (Apr. 29, 2014).

<sup>15</sup> *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2014-00071, 2015 S.C.C. Ann. Rept. 230, Final Order (Apr. 24, 2015).

<sup>16</sup> *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs, for approval to continue a demand-side management program, and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2015-00089, 2016 S.C.C. Ann. Rept. 275, Final Order (Apr. 19, 2016).

<sup>17</sup> *Petition of Virginia Electric and Power Company, For approval to implement new, and to extend existing, demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2016-00111, 2017 S.C.C. Ann. Rept. 384, Final Order (June 1, 2017).

<sup>18</sup> *Petition of Virginia Electric and Power Company, For approval to implement demand-side management programs and for two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2018-00168, 2019 S.C.C. Ann. Rept. 285, Order Approving Programs and Rate Adjustment Clauses (May 2, 2019).

<sup>19</sup> *Petition of Virginia Electric and Power Company, For approval of its 2019 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2019-00201, 2020 S.C.C. Ann. Rept. 368, Final Order (July 30, 2020).

<sup>20</sup> Ex. 11 (Woolridge Direct) at 2.

<sup>21</sup> *Id.* Rider C4A was approved in Case No. PUR-2020-00274. See 2020 DSM Order at 10-11, 14.

<sup>22</sup> Ex. 2 (Petition) at 13.

<sup>23</sup> Three people testified as public witnesses on May 11, 2022. Tr. 9-30.

<sup>24</sup> Report at 84-85.

3. The Commission should approve the Company's proposed Phase X DSM Program cost cap of \$140 million and the ability to exceed such cap by no more than 15 percent;
4. The Commission should approve the Company's request to increase the budget for the Phase VII Residential Efficient Products Marketplace Program;
5. The Commission should approve the Company's closure of the Phase I AC Cycling Program (with the ability to recover associated wind-down costs in base rates through 2023);
6. The Commission should approve the Company's request for increased funding (that is, an annual investment of \$2.5 million from 2022 to 2026) directed toward improving customer awareness and marketing as a common cost of the Company's DSM Portfolio;
7. The Commission should approve the Company's proposed reorganization and consolidation of its DSM Portfolio consistent with the Company's long-term plan;
8. The Commission should deny the Company's request for an administrative process to approve modifications to previously approved DSM programs;
9. The Commission should approve the Company's request for the use of the gross savings metric to evaluate the Company's attainment of statutory savings targets;
10. The Commission should approve a Rate Year beginning September 1, 2022, and ending August 31, 2023;
11. The Commission should approve a total revenue requirement of \$90,660,518 to be recovered through Riders C1A, C2A, C3A, and C4A over the Rate Year;<sup>25</sup>
12. The Commission should approve the Company's proposed rate design and allocation methodology; and
13. The Commission should approve the Company's request to continue Riders C1A, C2A, C3A, and C4A to be effective for billing purposes on the later of September 1, 2022, or the first day of the month which is at least 15 days following the Commission's approval of the Phase X Programs.

The Senior Hearing Examiner then recommended that the Commission enter an order that adopts the findings of the Report and dismisses this case from the Commission's docket of active cases.<sup>26</sup>

The Company, Appalachian Voices, NRDC, the Virginia Energy Efficiency Council, Consumer Counsel, and Staff filed comments on the Report on July 15, 2022.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations set forth in the Senior Hearing Examiner's Report should be adopted except as otherwise provided herein. The Commission approves the proposed Phase X programs and an overall Rate Year revenue requirement of \$90,660,518, as recommended by the Senior Hearing Examiner.

#### Savings Achieved by Programs and Measures

In its Application, Dominion "seeks Commission approval to use only the gross savings metric to measure the Company's actual and projected compliance or noncompliance with the total energy savings requirements in Va. Code § 56-596.2...."<sup>27</sup> As explained by Dominion, gross savings are unadjusted for market effects, such as a reduction for any energy efficiency savings that are attributable to "free riders" that would have occurred regardless of the DSM Program.<sup>28</sup> NRDC, Staff, and Appalachian Voices oppose Dominion's request to use gross savings to measure the energy savings requirements.<sup>29</sup>

Code § 56-596.2 B states, in part (emphasis added):

Notwithstanding any other provision of law, each investor-owned incumbent electric utility shall implement energy efficiency programs and measures to achieve the following *total annual energy savings*: . . .

2. For Phase II electric utilities:

- a. In calendar year 2022, at least 1.25 percent of the average annual energy jurisdictional retail sales by that utility in 2019;
- b. In calendar year 2023, at least 2.5 percent of the average annual energy jurisdictional retail sales by that utility in 2019;
- c. In calendar year 2024, at least 3.75 percent of the average annual energy jurisdictional retail sales by that utility in 2019; and
- d. In calendar year 2025, at least 5.0 percent of the average annual energy jurisdictional retail sales by that utility in 2019; ....

<sup>25</sup> According to Dominion, implementation of the proposed Riders C1A, C2A, C3A and C4A on September 1, 2022, would increase the monthly bill of a residential customer using 1,000 kilowatt hours of electricity per month by \$0.29. Ex. 13 (Catron Direct) at 6.

<sup>26</sup> Report at 85.

<sup>27</sup> Ex. 2 (Application) at 13.

<sup>28</sup> Ex. 3 (Frost Direct) at 7. The Company asserts that it is currently on track to meet the energy efficiency target established for 2022 of 1.25% on either a net or gross basis. *Id.* at 8.

<sup>29</sup> See, e.g., NRDC Comments and Objections at 2-3; Staff's Comments at 2-5; Appalachian Voices' Comments at 3-19. While not expressly opposing Dominion's proposal, Consumer Counsel argues that the gross savings approach would be inappropriate for purposes of provisions of Code § 56-585.1 A 5 c that allow the Company to earn "a margin on energy efficiency operating expenses" and "an additional 20 basis points for each additional incremental 0.1 percent in annual savings in any year achieved by the utility's energy efficiency programs approved by the Commission pursuant to this subdivision . . . ." Consumer Counsel Comments at 2.

In turn, Code § 56-576 defines "[t]otal annual energy savings" as follows (emphasis added):

(i) the total combined kilowatt-hour savings *achieved* by electric utility energy efficiency and demand response programs and measures installed in that program year, as well as savings still being achieved by measures and programs implemented in prior years, or (ii) savings attributable to newly installed combined heat and power facilities, including waste heat-to-power facilities, and any associated reduction in transmission line losses, provided that biomass is not a fuel and the total efficiency, including the use of thermal energy, for eligible combined heat and power facilities must meet or exceed 65 percent and have a nameplate capacity rating of less than 25 megawatts.

In response to Dominion's request, the Senior Hearing Examiner made a finding that the use of gross savings would be more appropriate for this purpose.<sup>30</sup> The Senior Hearing Examiner, however, also noted that the Commission need not reach this question in the instant proceeding, because Dominion is not herein seeking a finding that it achieved the 2022 total annual energy savings percentage set forth in Code § 56-596.2 B.<sup>31</sup>

Determining whether the Company has achieved the 2022 total annual savings percentage in Code § 56-596.2 B will require a factual analysis based on a separate record, which has yet to be developed and which is not yet before us for such purpose. Under the statute, that required factual analysis is not articulated in terms of "gross" or "net" savings, which are neither referenced nor defined therein. Rather, Dominion has the burden to establish, on a factual basis, the "total combined kilowatt-hour savings achieved by" its energy efficiency and demand response programs and measures.

In this regard, the definition of "achieved" is: "1 a : to bring to a successful conclusion : carry out successfully : ACCOMPLISH ... 2 : to get as the result of exertion : succeed in obtaining or gaining : WIN, REACH, ATTAIN."<sup>32</sup> Accordingly, based on the plain language thereof, when Dominion seeks findings on the savings achieved for purposes of this statute, the Company must factually establish the amount of savings that occurred *as the result* of its programs and measures.<sup>33</sup>

#### EM&V

As the Commission has previously stated, it supports the deployment of cost-effective energy efficiency programs in the Commonwealth paired with rigorous Evaluation, Measurement, and Verification ("EM&V").<sup>34</sup> The Commission finds the Company shall provide additional information in future EM&V Reports to evaluate how programs are performing. In future EM&V Reports, the Company shall include the updated cost/benefit analysis of the DSM programs, along with a comparison of the updated cost/benefit analysis to the original cost/benefit analysis when the Program was approved, as well as the results of cost/benefit analyses from prior EM&V Reports.

Finally, in approving the request rate increase herein, the Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

- (1) The Petition is granted in part, consistent with the recommendations of the Senior Hearing Examiner, as modified herein.
- (2) The Company forthwith shall file revised tariffs, designed to recover \$90,660,518 for Riders C1A, C2A, C3A, and C4A, and terms and conditions of service and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth herein. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](https://www.scc.virginia.gov/pages/Case-Information).
- (3) Riders C1A, C2A, C3A, and C4A as approved herein shall become effective for usage on and after September 1, 2022.

<sup>30</sup> Report at 82. In considering the Senior Hearing Examiner's findings on this matter, the Commission rejects Appalachian Voices' improper and unjustified attack on the Senior Hearing Examiner's good faith effort to analyze the facts and the law attendant to this question. *See, e.g.,* Appalachian Voices' Comments at 2, 12, 15 (accusing the Senior Hearing Examiner of "grasp[ing]," "searching," and "manufactur[ing]" a "purported interpretation" in order to reach her allegedly predetermined "preferred policy choice"). The Commission also rejects Appalachian Voices' multiple claims that because the Senior Hearing Examiner adopted one party's position, she necessarily "disregard[ed]" evidence presented by other parties. Appalachian Voices' Comments at 16 and 16 n.39. This allegation, as well, is neither factually nor legally supportable. *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("[P]ursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

<sup>31</sup> Report at 82 n.675.

<sup>32</sup> Webster's Third New International Dictionary 16 (2002).

<sup>33</sup> For example, to the extent the term "free riders" factually represents specific savings that can be reasonably identified, and that were *not* achieved as a result of Dominion's programs and measures, such savings do not fall within the plain language of this statute.

<sup>34</sup> 2020 DSM Order at 11.

(4) Consistent with Code § 56-585.1 A 5, and the requirements of this Order, the Company shall file its application to continue Riders C1A, C2A, C3A, and C4A no later than January 2, 2023.

(5) In future EM&V Reports, the Company shall include the updated cost/benefit analysis of the DSM programs, along with a comparison of the updated cost/benefit analysis to the original cost/benefit analysis as well as all other cost/benefit analyses from prior EM&V Reports.

(6) This matter is continued.

**CASE NO. PUR-2021-00248**  
**AUGUST 3, 2022**

PETITION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause, designated Rider PPA, under § 56-585.1 A 5 d of the Code of Virginia, for the Rate Year commencing September 1, 2022

**FINAL ORDER**

On December 15, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") pursuant to Code § 56-585.1 A 5 d for approval of a rate adjustment clause, designated Rider PPA, to recover projected and actual costs associated with certain power purchase agreements for the energy, capacity, ancillary services, and renewable energy credits owned by third parties.<sup>1</sup>

On January 5, 2022, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Petition; scheduled public witness and evidentiary hearings on the Petition; required Dominion to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the case; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the Virginia Committee for Fair Utility Rates and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Commission Staff ("Staff") filed testimony on May 10, 2022. On May 18, 2022, Dominion filed a letter in lieu of rebuttal testimony stating that it agreed with the revenue requirement presented in Staff's prefiled testimony, which results in a total revenue requirement of approximately (\$5,472,000) for the rate year commencing September 1, 2022, and ending August 31, 2023 ("Rate Year"), and requesting that the Commission approve the Petition.<sup>2</sup> The Commission received written public comments regarding the Petition.

A telephonic public witness hearing was scheduled for June 14, 2022, but was canceled because no public witness signed up to testify at the hearing.<sup>3</sup> The evidentiary hearing was convened on June 15, 2022. The Company, Consumer Counsel, and Staff participated at the hearing.

On June 21, 2022, the Senior Hearing Examiner filed the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report"). In the Report, the Hearing Examiner made the following findings: (i) the Commission should approve a revenue requirement for Rider PPA of (\$5,472,000);<sup>4</sup> and (ii) Rider PPA rates should be designed to recover the approved revenue requirement based on the allocation and rate design methodology proposed by the Company.<sup>5</sup> The Hearing Examiner recommended that the Commission issue an order adopting the Report's findings, approving the Rider PPA rates as recommended in the Report, and dismissing the case from the Commission's docket of active cases.<sup>6</sup>

NOW THE COMMISSION, upon consideration of this matter, adopts the Hearing Examiner's Report and finds that a total revenue requirement for Rider PPA of (\$5,472,000) for the Rate Year should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The Hearing Examiner's Report is hereby adopted.

(2) Rider PPA, as approved herein with a revenue requirement in the amount of (\$5,472,000), shall become effective for usage on and after September 1, 2022.

<sup>1</sup> Ex. 2 (Petition) at 1.

<sup>2</sup> Ex. 9 (Letter Rebuttal) at 1-2.

<sup>3</sup> Tr. 5.

<sup>4</sup> This revenue requirement represents a net credit to customers. According to Dominion, implementation of Rider PPA on September 1, 2022, would decrease the bill of a residential customer using 1,000 kilowatt-hours per month by \$0.07. Ex. 2 (Petition) at 7.

<sup>5</sup> Report at 12.

<sup>6</sup> *Id.* On July 1, 2022, Dominion and Staff filed comments supporting the findings and recommendations set forth in the Report.

(3) The Company forthwith shall file a revised Rider PPA and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(4) On or before December 1, 2022, the Company shall file an application to revise Rider PPA effective September 1, 2023.

(5) This case is dismissed.

**CASE NO. PUR-2021-00251  
SEPTEMBER 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of amending regulations governing net energy metering

**ORDER ADOPTING REGULATIONS**

The Regulations Governing Net Energy Metering, 20 VAC 5-315-10 *et seq.* ("Net Energy Metering Rules"), adopted by the State Corporation Commission ("Commission") pursuant to § 56-594 of the Virginia Electric Utility Regulation Act, Chapter 23 (§ 56-576 *et seq.*) of Title 56 of the Code of Virginia ("Code"), establish the requirements for participation by an eligible customer-generator in net energy metering in the Commonwealth. The Net Energy Metering Rules include conditions for interconnection and metering, billing, and contract requirements between net metering customers, electric distribution companies, and energy service providers.

On November 12, 2021, the Commission entered an Order Establishing Proceeding ("Order Establishing Proceeding") in this docket to consider revisions to the Net Energy Metering Rules to reflect a statutory change enacted by Chapter 266 of the 2021 Acts of Assembly, Special Session I ("Chapter 266"), which amended the definition of "[s]mall agricultural generator" in § 56-594.2 of the Code as follows:

"Small agricultural generator" means a customer that:

...

2. Operates a small agricultural generating facility as part of (i) an agricultural business or (ii) any business granted a manufacturer license pursuant to subdivisions 1 through 6 of § 4.1-206.1;

...

The Staff of the Commission prepared a proposed amendment to Rule 20 VAC 5-315-20 of the Net Energy Metering Rules ("Proposed Amendment") to reflect the revisions mandated by Chapter 266.

It came to the Commission's attention that the Order Establishing Proceeding was entered without the Proposed Amendment being appended thereto. Therefore, the Commission entered an Order *Nunc Pro Tunc* on November 16, 2021, to which the Proposed Amendment was appended and made a part of the record.<sup>1</sup>

Ordering Paragraph (4) of the Order Establishing Proceeding, as modified by Ordering Paragraph (3) of the Order *Nunc Pro Tunc*, required each Virginia electric distribution company to which the Net Energy Metering Rules apply to serve a copy of the Order Establishing Proceeding and the Order *Nunc Pro Tunc* (including the attached Proposed Amendment) upon each of their respective net metering customers and each of their existing small agricultural generators.

On November 22, 2021, Virginia Electric and Power Company ("Dominion") and Appalachian Power Company (collectively, "the Companies") filed a joint motion seeking an order from the Commission replacing the above-referenced notice and service requirement with a provision authorizing the Companies to provide notice of this proceeding by publication in newspapers of general circulation throughout their respective service territories in Virginia. The Companies also sought to extend the service deadline. On November 24, 2021, the Virginia Electric Cooperatives ("the Cooperatives") filed a motion requesting that the Commission allow for notice of this proceeding by publication, as well as to modify the procedural schedule.

Upon consideration of the Companies' and the Cooperatives' motions, the Commission entered the Order Modifying Notice Requirements and Procedural Schedule ("Modifying Order") on December 3, 2021. In the Modifying Order, the Commission amended Ordering Paragraph (4) of the Order Establishing Proceeding, as modified by Ordering Paragraph (3) of the Order *Nunc Pro Tunc*, to allow the option for notice of this proceeding and the Proposed Amendment by publication. The Commission also amended procedural deadlines to accommodate such publication.

Notice of this proceeding and the Proposed Amendment were published in the *Virginia Register of Regulations* on December 6, 2021 and January 17, 2022. Interested persons were directed to file any comments and requests for hearing on the Proposed Amendment on or before May 27, 2022.

Dominion and the Cooperatives filed comments. No one requested a hearing on the Proposed Amendment. Dominion states that "the proposed revisions track the changes made to Va. Code § 56-594.2." The Cooperatives state that they "strongly support the amendment" to the Net Energy Metering Rules.

<sup>1</sup> The Order *Nunc Pro Tunc* also removed and replaced an incorrect date reference in Ordering Paragraph (7) of the Order Establishing Proceeding.

Additionally, on May 16, 2022, Kentucky Utilities Company d/b/a Old Dominion Power Company in the Commonwealth of Virginia ("KU-ODP") filed its Motion for Deviation from Notice Requirements ("Motion").<sup>2</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the revised regulation attached hereto as Appendix A should be adopted as a final rule, as discussed herein.

Accordingly, IT IS ORDERED THAT:

(1) The Regulations Governing Net Energy Metering, as shown in Appendix A to this Order, are hereby adopted and are effective as of October 14, 2022.

(2) A copy of this Order with Appendix A including the Regulations Governing Net Energy Metering shall be forwarded to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.

(3) An electronic copy of this Order with Appendix A shall be made available on the Division of Public Utility Regulation's section of the Commission's website: [scc.virginia.gov/pages/Rulemaking](http://scc.virginia.gov/pages/Rulemaking).

(4) On or before January 3, 2023, each Virginia electric distribution company to which the Regulations Governing Net Energy Metering apply shall file in this docket, with the Clerk of the Commission, any revised tariff provisions necessary to implement the regulations adopted herein, and shall also provide a copy of the document containing the revised tariff provisions with the Commission's Division of Public Utility Regulation. The Clerk of the Commission need not distribute copies but shall make such filings available for public inspection in the Clerk's Office and post them on the Commission's website at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(5) This docket shall remain open to receive the filings from electric utilities pursuant to Ordering Paragraph (4).

(6) KU-ODP's Motion is granted.

NOTE: A copy of the attachment entitled "Rules Governing Net Energy Metering" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>2</sup> In its Motion, KU-ODP asserts that it served a copy of the Order *Nunc Pro Tunc* (including the attached Proposed Amendment) on each of its net metering customers. KU-ODP also states that it has no existing small agricultural generators. However, KU-ODP explains that it inadvertently failed to include copies of the Order Establishing Proceeding and Modifying Order in such service, but upon becoming aware of such omission, it mailed all three Commission orders to net metering customers on May 12, 2022, which was past the April 1, 2022 service deadline. See Motion at 2.

### CASE NO. PUR-2021-00253 MARCH 15, 2022

APPLICATION OF  
FUSION CLOUD SERVICES, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

#### FINAL ORDER

On December 2, 2021, Fusion Cloud Services, LLC ("Fusion Cloud" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia ("Certificates"). The Company requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). The Company filed with its Application a motion for a protective order ("Protective Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

Fusion Cloud also filed a motion requesting that the Commission grant the Company interim authority ("Motion For Interim Authority") to operate as a competitive local exchange carrier and interexchange carrier by December 15, 2021, so that it may begin serving customers during the pendency of this proceeding upon the completion of corporate restructuring that was the subject of a Utility Transfers Act<sup>2</sup> proceeding in Case No. PUR-2021-00252.<sup>3</sup>

On December 7, 2021, the Commission issued an Order for Notice and Comment and Interim Operating Authority ("Scheduling Order") that, among other things, directed Fusion Cloud to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On February 2, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> Code § 56-88 *et seq.*

<sup>3</sup> Motion For Interim Authority at 2-3; *see also, Joint Petition of Fusion Connect, Inc., Fusion Communications, LLC, and Fusion Cloud Services, LLC, For approval of an acquisition of control pursuant to the Utility Transfers Act, Va. Code § 56-88 et seq.*, Case No. PUR-2021-00252, Doc. Con. Cen. No. 211170063, Order Granting Approval (Nov. 22, 2021).

On February 16, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.*, and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq.* Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to Fusion Cloud subject to the following condition: Fusion Cloud should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

The Scheduling Order provided Fusion Cloud an opportunity to file a response to the Staff's Report by February 23, 2022. Fusion Cloud did not file a response to the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to Fusion Cloud. Having considered Code § 56-481.1, the Commission finds that Fusion Cloud may price its interexchange services competitively. Further, the Commission finds that the Company's Protective Motion is no longer necessary; therefore, the Protective Motion should be denied.<sup>4</sup>

Accordingly, IT IS ORDERED THAT:

(1) Fusion Cloud is hereby granted Certificate No. T-788 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Fusion Cloud is hereby granted Certificate No. TT-318A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, Fusion Cloud may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Fusion Cloud elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) Fusion Cloud shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(6) The Company's Protective Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Protective Motion pertains under seal.

(7) This case is dismissed.

<sup>4</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Protective Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Protective Motion pertains under seal.

**CASE NO. PUR-2021-00254  
FEBRUARY 8, 2022**

JOINT APPLICATION OF  
BARTONSVILLE ENERGY FACILITY, LLC AND BARTONSVILLE ENERGY FACILITY II, LLC

For approval and certification of certain electrical facilities associated with a small renewable energy project

**FINAL ORDER**

On November 3, 2021, Bartonsville Energy Facility, LLC ("Bartonsville") and Bartonsville Energy Facility II, LLC ("Bartonsville II") (collectively, "Applicants"),<sup>1</sup> pursuant to § 56-265.2 of the Code of Virginia ("Code") and Rule 80 A of the Commission's Rules of Practice and Procedure,<sup>2</sup> filed with the State Corporation Commission ("Commission") an application ("Application") for a certificate of public convenience and necessity ("CPCN") to construct, own, and operate the following facilities in Frederick County, Virginia: (i) an underground distribution-level collection line consisting of six 34.5 kilovolt ("kV") circuits ("Collection Line") and (ii) a substation and other electrical facilities by which solar power will be stepped up from 34.5 kV to 138 kV to be delivered to the point of interconnection with FirstEnergy Corporation ("FirstEnergy") facilities (collectively with the Collection Line, the "Collection Facilities").<sup>3</sup>

<sup>1</sup> Bartonsville and Bartonsville II are both Delaware limited liability companies and special purpose entities organized solely to develop, construct, own, and operate the Project described herein. Both Applicants are owned by Torch Clean Energy, LLC, a renewable energy and battery storage developer who is co-developing the Project with D.E. Shaw Renewable Investments. Application at 2-3.

<sup>2</sup> 5 VAC 5-20-10 *et seq.*

<sup>3</sup> Application at 1.

The Collection Facilities would connect certain solar energy generating facilities ("Solar Facilities")<sup>4</sup> to the transmission grid for the sale of electricity, capacity, and other services into the PJM Interconnection, L.L.C. ("PJM") market.<sup>5</sup> The Applicants note that they are requesting a CPCN for the Collection Facilities only.<sup>6</sup> The Applicants state that Bartonsville received a permit by rule from the Virginia Department of Environmental Quality ("DEQ") authorizing it to construct and operate the initial approximately 80 megawatt ("MW") phase of the Project.<sup>7</sup> Bartonsville II is developing the second phase of the Solar Facilities, and plans to file a permit by rule application with DEQ for the second approximately 50 MW phase of the Project pursuant to Code § 10.1-1197.5 *et seq.*<sup>8</sup>

On November 23, 2021, the Commission issued an Order for Notice and Comment ("Procedural Order") that, among other things, docketed the Application; required the Applicants to publish notice of their Application; gave interested persons an opportunity to file comments on the Application, file a notice of participation as a respondent, and/or request that a hearing be convened; directed the Commission's Staff ("Staff") to investigate the Application and present its findings and recommendations in a report; and assigned a Hearing Examiner to rule on any discovery matters that might arise during the course of this proceeding.

In the Procedural Order, the Commission noted that Staff requested the DEQ to coordinate an environmental review of the proposed Collection Facilities.<sup>9</sup> The DEQ filed a report ("DEQ Report") on the proposed Collection Facilities on January 13, 2022. The DEQ Report summarizes the proposed Collection Facilities' potential impacts, makes recommendations for minimizing those impacts, and outlines the Applicant's responsibilities for compliance with legal requirements governing environmental protection. The DEQ Report contains the following recommendations:<sup>10</sup>

- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels. Implement measures for the control of fugitive dust. Shred or chip vegetative debris for reuse on site.
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable.
- Coordinate with the Department of Conservation and Recreation ("DCR") should karst features be encountered on the Project site.
- Coordinate with the DCR regarding the development of an invasive species plan to be included as part of the maintenance practices for the right-of-way.
- Coordinate with the DCR for updates to the Biotics Data System database after six months has passed and upon any major modifications of the Project construction to avoid and minimize impacts to natural heritage resources.
- Coordinate with the Department of Wildlife Resources to ensure the protection of wildlife resources and protected species on site.
- Coordinate with the Virginia Outdoors Foundation should the Project area change or 24 months pass before construction begins.
- Employ best management practices, Spill Prevention and Control Countermeasures, and other measures as appropriate for the protection of water supply sources.
- Follow the principles and practices of pollution prevention to the extent practicable.
- Limit the use of pesticides and herbicides to the extent practicable.

On January 14, 2022, Staff filed its Staff Report. Staff concluded that the Applicants have reasonably demonstrated that constructing the proposed Collection Facilities is necessary to interconnect the Applicants' proposed Solar Facilities to the FirstEnergy system.<sup>11</sup> Staff further concluded that, subject to receipt of all other required approvals from applicable permitting agencies and PJM, the proposed Collection Facilities appear to avoid or reasonably minimize the impact on existing residences, scenic assets, historic resources and the environment.<sup>12</sup> Based on these conclusions, Staff stated that it does not oppose granting the Applicants' request for a CPCN for construction, ownership, and operation of the proposed Collection Facilities.<sup>13</sup>

<sup>4</sup> The Solar Facilities are a photovoltaic system consisting of photovoltaic modules and arrays, wires, lines, hardware, equipment, and other associated facilities and structures. *Id.* at 1-2. The Solar Facilities and the Collection Facilities are collectively referred to herein, and in the Application, as the "Project." *Id.* at 2.

<sup>5</sup> *Id.* at 2.

<sup>6</sup> *Id.*

<sup>7</sup> Along with developing this phase, Bartonsville is developing the Collection Facilities. *Id.* at 2-3 and n.3.

<sup>8</sup> *Id.*

<sup>9</sup> Procedural Order at 4-5.

<sup>10</sup> DEQ Report at 5-6.

<sup>11</sup> Staff Report at 15.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 16.



Staff recommended that should any issues arise in the permitting process necessitating a change in the proposed route of the Collection Line, the Applicants be required to file for an amended CPCN from the Commission to address the changes.<sup>14</sup> Finally, Staff recommended that the Commission condition the approval of the Collection Facilities on the Applicants filing copies of all Project-related Construction Service Agreements ("CSA") and Interconnection Service Agreements ("ISA") with the Commission within 60 days after execution of those agreements.<sup>15</sup>

On January 21, 2022, the Applicants filed their Response to the Staff's Report ("Comments"). In their Comments, the Applicants stated that they did not object to the recommendations contained in the DEQ Report but request that the Commission revise the DEQ's recommendation regarding the resubmission of Project information and mapping for an update on natural heritage information to the Biotics Data System database.<sup>16</sup> The Applicants also request that the Commission require them "to file for amended CPCNs only if the route 'substantially deviates from the proposed route' rather than if there is 'a change in the proposed route.'"<sup>17</sup> The Applicants requested that the Commission issue an order granting Bartonsville and Bartonsville II each (i) a CPCN to construct, own and operate the Collection Facilities pursuant to Code § 56-265.2; (ii) an exemption from Commission jurisdiction under Chapter 10 of Title 56 of the Code;<sup>18</sup> and (iii) any other authority, approval, waivers or relief that may be appropriate under the law and Commission rules, regulations and guidelines.<sup>19</sup>

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows:

#### Code of Virginia

Section 56-265.2 A of the Code provides in part:

. . . it shall be unlawful for any public utility to construct, enlarge or acquire, by lease or otherwise, any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege.

Section 56-265.2 B provides:

B. In exercising its authority under this section, the Commission, notwithstanding the provisions of § 56-265.4, may permit the construction and operation of electrical generating facilities, which shall not be included in the rate base of any regulated utility whose rates are established pursuant to Chapter 10 (§ 56-232 et seq.), upon a finding that such generating facility and associated facilities including transmission lines and equipment (i) will have no material adverse effect upon the rates paid by customers of any regulated public utility in the Commonwealth; (ii) will have no material adverse effect upon reliability of electric service provided by any such regulated public utility; and (iii) are not otherwise contrary to the public interest. In review of its petition for a certificate to construct and operate a generating facility described in this subsection, the Commission shall give consideration to the effect of the facility and associated facilities, including transmission lines and equipment, on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1. Facilities authorized by a certificate issued pursuant to this subsection may be exempted by the Commission from the provisions of Chapter 10 (§ 56-232 et seq.).

Section 56-46.1 A of the Code provides in part:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact. . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted pursuant to Article 3 (§ 15.2-2223 et seq.) of Chapter 22 of Title 15.2. Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

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<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> Comments at 2.

<sup>17</sup> *Id.* at 3.

<sup>18</sup> Code § 56-232 *et seq.* ("Chapter 10").

<sup>19</sup> *Id.* at 3-4.

Rates

The Commission finds that the Project, including the Collection Facilities, will have no material adverse effect upon the rates paid by customers of any regulated public utility.<sup>20</sup> The Applicants will not make direct sales of electricity or provide retail electric service to end users in Virginia.<sup>21</sup> The Applicants represent that they intend to file with the Federal Energy Regulatory Commission ("FERC") and certify that they are exempt wholesale generators, and they anticipate that FERC will authorize them to sell energy, capacity, and ancillary services at market-based rates for resale.<sup>22</sup>

Reliability

The Commission further finds that the Collection Facilities will have no material adverse effect upon reliability of electric service provided by any regulated public utility.<sup>23</sup> The Project, including the Collection Facilities, should assure greater reliability of electric service in the local region.<sup>24</sup> Further, the Project is undergoing analysis through PJM's process for generator interconnection.<sup>25</sup> As part of the PJM interconnection process, certain reliability studies are performed to analyze the impact upon the PJM system and identify any upgrades required to mitigate adverse impact.<sup>26</sup> The Applicants state that they will be executing a CSA and ISA with FirstEnergy and PJM and assert that they would be bound by terms ensuring the reliability of the transmission system to which the Project would interconnect.<sup>27</sup>

Environmental Impact

The Code requires the Commission to consider the effect of the facility and associated facilities, including transmission lines and equipment, on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact.<sup>28</sup> As noted above, DEQ coordinated an environmental review of the proposed Collection Facilities and submitted a DEQ Report that, among other things, set forth recommendations for the proposed Collection Facilities. The Commission finds that as a condition of approval herein, the Applicants must comply with DEQ's recommendations as provided in the DEQ Report with the following exception.<sup>29</sup>

The DEQ Report contains a recommendation from the Virginia Department of Conservation and Recreation ("DCR") that:<sup>30</sup>

The [A]pplicants should resubmit project information and mapping for an update on natural heritage information if the scope of the project changes and/or six months (June 4, 2022) has passed before it is utilized.

The Applicants request the Commission revise this recommendation to state:<sup>31</sup>

The Applicants shall resubmit project information for updates to the Biotics Data System database only if: (1) there are *material* changes to the scope of the Collection Facilities, or (2) *12 months* from the date of a Commission Final Order granting CPCNs in this proceeding pass before construction commences on the Collection Facilities.

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<sup>20</sup> Code § 56-265.2 B.

<sup>21</sup> Application at 4, 10; Staff Report at 14.

<sup>22</sup> Application at 14, 10; Staff Report at 3-4.

<sup>23</sup> Code § 56-265.2 B.

<sup>24</sup> Application at 10; Staff Report at 14.

<sup>25</sup> See Application Appendices I.B.2, I.B.3, I.B.4, and I.B.5; Staff Report at 4, 14.

<sup>26</sup> Staff Report at 14-15.

<sup>27</sup> See Application at 12; Staff Report at 15.

<sup>28</sup> Code §§ 56-46.1, 56-265.2 B.

<sup>29</sup> The Applicants shall comply with all uncontested recommendations included in the DEQ Report. However, to the extent that the Applicants and DEQ, or other appropriate state agency or municipality, reach agreement that certain recommendations included in the DEQ Report are not necessary or have been adequately addressed elsewhere, we find that the Applicants need not comply with those specific recommendations.

<sup>30</sup> DEQ Report at 16 (Environmental Impacts and Mitigation, Item 7(c)(iii)). This recommendation seems to have been recorded in the Summary of Recommendations as: "Coordinate with the [DCR] for updates to the Biotics Data System database *after six months has passed and upon any major modifications of the project construction* to avoid and minimize impacts to natural heritage resources (Environmental Impacts and Mitigation, item 7(c) (iii), page 16)." DEQ Report at 5 (emphasis added).

<sup>31</sup> Comments at 2.

The Applicants commented that they believe the insertion of the word "material" appropriately gives effect to DEQ's intent to address significant changes in the scope of the Collection Facilities while not addressing minor changes.<sup>32</sup> The Applicants further commented that the 12-month window provides a more reasonable time frame.<sup>33</sup> We find that the Applicants' proposed revision concerning resubmission of project information for updates to the Biotics Data System database is reasonable and approve this modification.<sup>34</sup>

#### Economic Development

We find that the Project, of which the Collection Facilities are an integral part, will provide the Commonwealth with a new renewable generation resource with a nameplate capacity of approximately 130 MW, will have a positive impact on the local economy in and around Frederick County, and will promote economic development.<sup>35</sup> Among other things, jobs are expected to be created during construction and operation of the Project, providing payroll benefits and indirect local and regional economic benefits in addition to providing a source of renewable solar generation produced in Virginia.<sup>36</sup>

#### Rights-of-Way and Routing

There does not appear to be existing utility ROW that traverses between the parcels of land to be used for the Solar Facilities and the point of interconnection ("POI") with FirstEnergy's Facilities.<sup>37</sup> The Applicants state that the proposed route is the shortest path between the Solar Facilities and the POI.<sup>38</sup> We therefore find that the proposed route should be approved.

#### Environmental Justice

The Virginia Environmental Justice Act ("VEJA")<sup>39</sup> sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>40</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>41</sup> The Applicants state that based on their analysis of the social impact of the Collection Facilities, the Collection Facilities will not disproportionately adversely impact historically economically disadvantaged communities as defined in Code § 56-576.<sup>42</sup> The Applicants note that the U.S. Census tract for the site of the Collection Facilities indicates, based on 2014-2018 survey data, a population of 11% people of color.<sup>43</sup> The Applicants further state that the Collection Facilities will be constructed in an area whose median income is more than double the median income for Frederick County, and that the Collection Facilities will not be located in the presence of any fenceline community, low-income community, or community of color as those terms are defined in the VEJA.<sup>44</sup> We find, based on the record in this case, that the Rebuild Project does not adversely impact the goals established by the VEJA.

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<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> The Commission has adopted similar requirements in the past. *See, e.g., Application of Pigeon Run Solar, LLC, For a permit to construct and operate an energy storage facility*, Case No. PUR-2021-00035, Doc. Con. Cen. No. 210820225, Final Order at 9 (Aug. 13, 2021) (requiring resubmission of information to the Biotics Data System "only if there are material changes to the scope of the [project], or if twelve months from the date of the Commission's Final Order in this proceeding pass before construction commences . . ."); *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Landstown-Thrasher Line #231 230 kV Transmission Line Rebuild*, Case No. PUR.-2018-00096, 2018 S.C.C. Ann. Rept. 461,464, Final Order (Dec. 3, 2018) (requiring consultation "with DCR for updates to the Biotics Data System only if (i) the scope of the [p]roject materially changes or (ii) 12 months from the date of the Commission's final order in this matter pass before the Project commences construction").

<sup>35</sup> *See* Application at 13; Staff Report at 8.

<sup>36</sup> *See* Application at 13-14; Staff Report at 8.

<sup>37</sup> Staff Report at 7.

<sup>38</sup> Application at Appendix 1, p.8.

<sup>39</sup> Code §§ 2.2-234 through -235.

<sup>40</sup> Code § 2.2-235.

<sup>41</sup> *See, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021).

<sup>42</sup> Application at 17.

<sup>43</sup> *Id.*

<sup>44</sup> *See id.* at 17-19.

Future Amendment

In Comments to the Staff Report, the Applicants take issue with one recommendation in the Staff Report. In the "Conclusions and Recommendations" of the Staff Report, Staff recommended:<sup>45</sup>

should any issues arise in the permitting process necessitating a change in the proposed route of the Collection Line, [the Applicants] be required to file for an amended CPCN from the Commission to address the changes.

The Applicants request the Commission require them to file for an amended CPCN "only if the route 'substantially deviates from the proposed route.'"<sup>46</sup> We find that the Applicants shall file for an amended CPCN should substantial deviations from the proposed route become necessary.

Conclusion

In summary, based on the totality of the facts and circumstances as presented in this case, the Commission finds that the Collection Facilities are not otherwise contrary to the public interest and that the Applicants should be granted CPCNs for the Collection Facilities pursuant to Code § 56-265.2 B, the requirements of this Final Order, and other applicable laws and regulations.

Waiver of Requirements of Chapter 10

The Commission has previously held that a Virginia utility that offers all of its electric energy and capacity output to PJM's markets satisfies the statutory requirement for exemption from the rates and service requirements of Chapter 10.<sup>47</sup> The Applicants state that they seek to construct the Project and connect it to the transmission grid for the purposes of selling electricity, capacity, and other services into the PJM market.<sup>48</sup> Therefore, we find that since the Applicants will sell the entirety of the output of the Project into the PJM market, it is appropriate to exempt Bartonsville and Bartonsville II from the rates and service requirements of Chapter 10.

Accordingly, IT IS ORDERED THAT:

(1) Subject to the findings and requirements set forth in this Final Order, Bartonsville and Bartonsville II are granted approval and Certificates of Public Convenience and Necessity ED-BTRN-FRE-2022-A and ED-BRTNII-FRE-2022-A, respectively, to construct and operate the Collection Facilities as set forth in this proceeding.

(2) The Applicants shall forthwith work with Staff to file an electronic map of the Collection Facilities for certification. The electronic map shall include the boundaries of the Solar Facilities; the utility POI; county designations; geographic identifiers (road names, waterways, etc.); and the Global Positioning System coordinates of the Solar Facilities. The electronic map shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, by email at [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(3) The Applicants' dispatch of the entirety of the output of the Project into the PJM wholesale energy market shall be exempt from the regulatory and ratemaking requirements under Chapter 10 of Title 56 of the Code.

(4) This case is dismissed.

<sup>45</sup> Staff Report at 16. Earlier in the Staff Report, Staff stated "that, should any change in route be required that *substantially deviates* from the proposed route in order to allow construction, the Applicants be required to apply for an amended CPCN to address the changes." *Id.* at 8 (emphasis added).

<sup>46</sup> Comments at 3.

<sup>47</sup> See *Application of Foxhound Solar, LLC, For approval and certification of certain electrical facilities associated with a small renewable energy project*, Case No. PUR-2019-00107, 2019 S.C.C. Ann. Rept. 460, 463 (Oct. 17, 2019); *Joint Petition of Appalachian Power Company and Eagle Creek Reusens Hydro, LLC, For approval of the transfer of generating facilities pursuant to the Utility Transfers Act, Va. Code § 56-88 et seq., and for certification of the facilities pursuant to Utility Facilities Act, Va. Code §56-265.1 et seq.*, Case No. PUE-2016-00120, 2017 S.C.C. Ann. Rept. 396, 397, Final Order (Feb. 1, 2017).

<sup>48</sup> Application at 1.

**CASE NO. PUR-2021-00256  
AUGUST 12, 2022**

APPLICATION OF  
NORTHERN NECK ELECTRIC COOPERATIVE

For approval of an electric vehicle charging tariff rider

**FINAL ORDER**

On December 16, 2021, Northern Neck Electric Cooperative ("NNEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of an optional time-of-use electric vehicle smart charging rider, Schedule EV-1, Electric Vehicle Service Rider ("Schedule EV-1")<sup>1</sup> that would work in tandem with the Cooperative's Residential Service tariff (currently Schedule R-7), to encourage

<sup>1</sup> On May 6, 2022, NNEC filed revised pages for its Application and Schedule EV-1. The revisions were associated with changing the \$2.44 per kilowatt ("kW") surcharge in Schedule EV-1's Paragraph 3.I. to \$2.32 per kW.

of-peak electric vehicle charging.<sup>2</sup> The Cooperative asserted that customers who elect to take service under Schedule EV-1 ("Participants") would receive credits for electric vehicle off-peak (11:00 p.m. to 6:00 a.m.) energy usage as measured by a submeter; Participants would pay demand and energy surcharges for electric vehicle charging at all other hours.<sup>3</sup> Schedule EV-1 would apply only to sub-metered electric vehicle charging.<sup>4</sup>

NNEC filed the Application pursuant to § 56-40 of the Code of Virginia ("Code"), which reads:

The Commission, in the exercise of its discretion, may permit any public utility corporation to put into effect any proposed revision of its rate schedules, or any part thereof, without notice when the proposed revision effects no increases.

According to the Application, "Schedule EV-1 is a rider to approved Schedule R-7 that will effect no increase in rates."<sup>5</sup>

On February 1, 2022, the Commission entered an Order ("February 1 Order") directing the Cooperative to provide additional information and clarification on how the proposed tariff would "effect no increases" such that it could be approved under Code § 56-40.<sup>6</sup> The February 1 Order provided an alternative whereby NNEC could amend its request to seek approval under a different Code section.<sup>7</sup>

On March 7, 2022, the Cooperative filed a Supplement to the Application of Northern Neck Electric Cooperative For Approval of an Electric Vehicle Charging Tariff Rider ("Supplement"). Therein, NNEC emphasized that proposed Schedule EV-1 is an optional rider, that Participants "will pay for service according to the rates and charges set forth in Schedule R-7,"<sup>8</sup> and that a Participant "may incur surcharges, but only if the Participant charges an electric vehicle during on-peak hours."<sup>9</sup>

Thereafter, on June 9, 2022, the Commission entered a further Order in this docket ("June 9 Order") stating that upon review of the Application and Supplement, the Commission concluded that it required further development of the record before it in order to determine whether NNEC's proposed Schedule EV-1 may be approved, without notice, pursuant to § 56-40 of the Code.<sup>10</sup> In that regard, and except as provided further in the June 9 Order, the Commission stated that it would require an analysis of the Application and Supplement by the Staff of the Commission ("Staff") and a corresponding Staff report concerning the same. A response to that Staff report by the Cooperative would also be required.<sup>11</sup>

In the June 9 Order, the Commission also took judicial notice of House Bill 266, approved by the General Assembly and signed into law by the Governor as Chapter 363 of the 2022 Acts of Assembly ("Chapter 363").<sup>12</sup> This legislation was to become effective July 1, 2022, and, in pertinent part, enables Virginia's electric cooperatives to (i) adopt voluntary tariffs upon the approvals of their respective cooperative boards, and (ii) file such tariffs with the Commission for informational purposes.<sup>13</sup>

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<sup>2</sup> Application at 1, 4.

<sup>3</sup> *Id.* at 1-2, 4.

<sup>4</sup> *Id.* at 2.

<sup>5</sup> *Id.* at 9.

<sup>6</sup> February 1 Order at 2.

<sup>7</sup> *Id.*

<sup>8</sup> Supplement at 2.

<sup>9</sup> *Id.* NNEC reiterated that Schedule EV-1 is a voluntary rider available only to members that own electric vehicles, and that those who take service under Schedule EV-1 may withdraw from taking service under the voluntary tariff "at any time." *Id.* The Supplement also (i) clarified that non-participating Cooperative members will not be adversely impacted, and will not subsidize Participants, and (ii) stressed that for all electric service that is not vehicle charging, "Participants will continue to pay the same residential rates under existing Schedule R-7 as non-Participants." *Id.* at 3.

<sup>10</sup> June 9 Order at 4. The Commission noted that the surcharge established by the proposed Schedule EV-1 rider may increase rates in NNEC's current residential tariff (Schedule R-7) between 6:00 a.m. and 11:00 p.m. for vehicle charging by customers who elect to take service under Schedule EV-1. *Id.* at 3. The Commission further pointed out that NNEC's Application stated that "[T]he distribution surcharge and credit are designed to effectively set the distribution rates for EV charging at a rebalanced residential rate with a \$2.67 per kW demand charge," when the demand charge under Schedule R-7 currently is \$0.35 per kW. *Id.* at 3-4.

<sup>11</sup> *Id.* at 4.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* Specifically, Chapter 363 amends § 56-585.3 of the Code to add a new Subdivision A 8 that provides as follows (emphasis added): "8. A cooperative may, without approval of the Commission or the requirement of any filing other than as provided in this subsection, upon an affirmative resolution of its board of directors, approve *any voluntary tariff*, and cost recovery therefor, and shall promptly file any such tariff with the Commission for informational purposes." ("Subdivision A 8"). Senate Bill 505, an identical Senate counterpart to House Bill 266, was also approved by the General Assembly and signed into law as Chapter 364 of the 2022 Acts of Assembly.

Accordingly, the June 9 Order directed NNEC to notify the Commission forthwith whether or not the Cooperative desired the Commission to deem Schedule EV-1 as also submitted for the Commission's consideration pursuant to Chapter 363.<sup>14</sup> The Order stated that if the Cooperative notified the Commission in the affirmative in that regard,<sup>15</sup> the Commission would direct the Staff to accept the Cooperative's Schedule EV-1 for filing for informational purposes, effective on such date on or after July 1, 2022, as NNEC may designate in its notification.<sup>16</sup> Further, the Commission stated that it would determine at that time whether further proceedings in this docket pursuant to § 56-40 of the Code were indicated.<sup>17</sup> Additionally, the Commission stated that it would hold in abeyance its consideration of the Application and Supplement in this docket, pending its receipt of the Cooperative's notification as directed therein, and subject to further Orders of the Commission.<sup>18</sup>

Thereafter on July 21, 2022, NNEC, by counsel, submitted a response ("Response") pursuant to the Commission's June 9 Order. The Cooperative stated that on June 30, 2022, NNEC's Board of Directors ("Board") adopted a resolution approving Schedule EV-1 to be available on and after July 1, 2022.<sup>19</sup> The Cooperative further stated that it desired the Commission to deem Schedule EV-1 as also submitted for the Commission's consideration pursuant to Chapter 363, which is now codified in Code § 56-585.3 A 8.<sup>20</sup> Additionally, the Cooperative noted it had revised Schedule EV-1 to reflect the effective date, approved by the Board, of on and after July 1, 2022.<sup>21</sup> Accordingly, NNEC stated that it was providing Schedule EV-1 to the Commission for informational purposes only pursuant to Code § 56-585.3 A 8.<sup>22</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. In light of the Cooperative's Response herein, the Staff is directed to accept NNEC's EV-1 Tariff for informational purposes pursuant to Code § 56-585.3 A 8. Consequently, no further proceedings in this docket pursuant to § 56-40 of the Code are necessary, and this matter will be dismissed.

Accordingly, IT IS ORDERED THAT:

- (1) The Staff is directed to accept NNEC's EV-1 Tariff for informational purposes pursuant to Code § 56-585.3 A 8.
- (2) This matter is dismissed.

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<sup>14</sup> June 9 Order at 5.

<sup>15</sup> Such affirmative notification was also to include (i) representations that the Cooperative has satisfied the requirements of Subdivision A 8, and (ii) the desired effective date of Schedule EV-1. *Id.* at 5 n.17.

<sup>16</sup> *Id.* at 5.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> Response at 2 and Attachment A.

<sup>20</sup> *Id.* at 2.

<sup>21</sup> *Id.* at 2-3 and Attachment B.

<sup>22</sup> *Id.* at 3.

**CASE NO. PUR-2021-00257  
FEBRUARY 10, 2022**

APPLICATION OF  
SOLAR STAR VIRGINIA HOLDCO, LLC

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On October 20, 2021, Solar Star Virginia HoldCo, LLC ("Solar Star" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia.<sup>1</sup> The Company seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, the Company attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>2</sup> The Company also filed a Motion for Entry of a Protective Order on December 8, 2021.

On December 10, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before December 28, 2021, and to file proof of service on or before January 7, 2022. On December 16, 2021, the Company filed its proof of service. Dominion filed a notice of participation in this matter on January 13, 2022.

<sup>1</sup> The Company supplemented its October 20, 2021 filing with additional information on December 8, 2021. The October 20, 2021 and December 8, 2021 filings collectively are referred to herein as the "Application."

<sup>2</sup> 20 VAC 5-340-10 *et seq.*

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before January 14, 2022. No comments were filed.

The Procedural Order also directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before January 28, 2022. On January 28, 2022, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.<sup>3</sup> Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.<sup>4</sup>

NOW THE COMMISSION, upon consideration of this matter, finds that Solar Star's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Solar Star is hereby granted license No. SS-16 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>3</sup> Report at 4-5.

<sup>4</sup> *Id.* at 5.

**CASE NO. PUR-2021-00261  
JANUARY 21, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For Approval of the SAVE Rider for Calendar Year 2022

**ORDER APPROVING SAVE RIDER**

On November 10, 2021, Washington Gas Light Company ("WGL" or "Company") completed the filing with the State Corporation Commission ("Commission") of an application, and errata thereto (collectively, "Application") pursuant to Chapter 26 of Title 56 of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy Plan (SAVE) Act. Through the Application, WGL seeks approval of its annual adjustment of its SAVE Plan Rider.<sup>1</sup>

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure.<sup>2</sup> The 2022 SAVE Rider is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan.<sup>3</sup> WGL states that the calculation of the revenue requirement and rates associated with the 2022 SAVE Rider consist of two components, the "Current Factor" and the "Reconciliation Factor," which were approved by the Commission in its 2017 SAVE Order.<sup>4</sup> According to the Company, the Current Factor is based on SAVE Plan program expenditures projected for 2022, the final year of the five-year amended SAVE Plan approved in Case No. PUR-2017-00102,<sup>5</sup> and the Reconciliation Factor is computed in accordance with Code § 56-604 E for the twelve-month period ended April 30, 2021.<sup>6</sup>

<sup>1</sup> The Commission approved the Company's amendment and extension of its SAVE Plan in *Application of Washington Gas Light Company, For approval to amend its SAVE plan pursuant to § 56-604 B of the Code of Virginia*, Case No. PUR-2017-00102, 2017 S.C.C. Ann. Rept. 546, Order (Nov. 21, 2017) ("2017 SAVE Order").

<sup>2</sup> Application at 3-5.

<sup>3</sup> *Id.* at 5-6. Under Code § 56-603, "eligible infrastructure replacement" is defined as:  
natural gas utility facility replacement projects that: (i) enhance safety or reliability by reducing system integrity risks associated with customer outages, corrosion, equipment failures, material failures, or natural forces; (ii) do not increase revenues by directly connecting the infrastructure replacement to new customers; (iii) reduce or have the potential to reduce greenhouse gas emissions; (iv) are commenced on or after January 1, 2010; and (v) are not included in the natural gas utility's rate base in its most recent rate case using the cost of service methodology set forth in § 56-235.2, or the natural gas utility's rate base included in the rate base schedules filed with a performance-based regulation plan authorized by § 56-235.6, if the plan did not include the rate base.

<sup>4</sup> Application at 1; 2017 SAVE Order at 547, 550.

<sup>5</sup> Application at 4-6; 2017 SAVE Order at 546, 549-550.

<sup>6</sup> Application at 1, 6.

WGL projects, for calendar year 2022, approximately \$88,000,000 of SAVE Plan distribution system replacement expenditures<sup>7</sup> and approximately \$22,200,000 of SAVE Plan transmission program replacement expenditures.<sup>8</sup> The Company states that, based on its projected SAVE Plan expenditures (January 1, 2022, to December 31, 2022), the eligible infrastructure replacement costs to be included in the SAVE Rider Current Factor will be approximately \$36,147,474.<sup>9</sup> Netted with (\$3,669,902) from the SAVE Rider Reconciliation Factor, the overall 2022 SAVE Factor revenue requirement is reduced to \$32,477,573.<sup>10</sup>

WGL states that the Reconciliation Factor component of the 2022 SAVE Rider compares actual costs incurred and recovered over the period from May 1, 2020, to April 30, 2021, and that the Company expects an over-collection from the Residential customer, Commercial and Industrial, and Group Metered Apartments classes and an under-collection from the Interruptible customer classes.<sup>11</sup> To correct these over/under collections as well as provide funding for the 2022 SAVE Rider revenue requirement, WGL seeks approval to apply its combined 2022 SAVE Rider rates to meter readings beginning on the first day of the February 2022 billing cycle, as a separate line item labeled "All Applicable Riders."<sup>12</sup>

WGL represents that for the typical residential customer, the per therm 2022 SAVE Rider rate will be \$3.65 per month based on residential customer usage of 746 therms of gas annually.<sup>13</sup> This calculation is based on a \$0.0463 per therm Current Factor for January 2022.<sup>14</sup> For the months of February through December 2022, the SAVE Rider will be based on a \$0.0717 per therm Current Factor plus a (\$0.0101) per therm Reconciliation Factor, for a total SAVE Rider of \$0.0616 per therm.<sup>15</sup> The total annualized SAVE Rider for 2022 compared to the 2021 SAVE Rider rate for the same customer represents an increase of \$0.97 per month.<sup>16</sup>

On November 19, 2021, the Commission issued an Order for Notice and Comment in this proceeding which, among other things, docketed the Application; required WGL to publish notice of its Application; and gave interested persons the opportunity to participate in this proceeding and to comment or request a hearing on the Company's Application. There were no comments or requests for a hearing filed in this proceeding.

On December 22, 2021, the Commission's Staff ("Staff") filed a report ("Staff Report") containing Staff's analysis of the Application and providing conclusions and recommendations for the Commission's consideration. In the Staff Report, Staff calculates a total 2022 SAVE Rider revenue requirement of \$32,401,298, which comprises a Reconciliation Factor of (\$3,614,423) and a Current Factor of \$36,015,721.<sup>17</sup> Staff's recommended 2022 SAVE Rider revenue requirement is \$76,275 below that proposed by the Company.<sup>18</sup>

In its Report, Staff also found that the class allocation factors proposed by WGL are consistent with the allocation methodology previously approved by the Commission.<sup>19</sup> Staff stated that it did not oppose WGL's proposed revenue apportionment and rate design methodology.<sup>20</sup> Staff added that should the Commission approve a revenue requirement that differs from the revenue requirement proposed by WGL, Staff recommends that the 2022 Current Factor rate should be adjusted proportionately, and the current allocation and rate design method remain in place.<sup>21</sup>

On December 30, 2021, WGL filed its Comments to Staff Report ("Comments"). In its Comments, the Company stated that it does agree with Staff's recommendations regarding the 2022 SAVE Rider revenue requirement and factors.<sup>22</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Staff's recommended 2022 SAVE Rider revenue requirement of \$32,401,298 should be approved. In granting this approval, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such

<sup>7</sup> *Id.* at 8.

<sup>8</sup> *Id.* at 9.

<sup>9</sup> *Id.* at 7-8 and Schedule 1.

<sup>10</sup> *Id.* at Schedule 1.

<sup>11</sup> *Id.* at 10.

<sup>12</sup> *Id.* at 10-11. *See also* the Commission's December 21, 2021 Order in this docket granting WGL's request to allow the Company to continue the 2021 SAVE Rider Current Factors for each customer rate class, as approved by the Commission in Case No. PUR-2020-00171, for the January 2022 billing cycle.

<sup>13</sup> WGL's November 17, 2021 Supplemental Filing at 1 and Appendix A.

<sup>14</sup> *Id.* at 1. The Company is proposing to continue the 2021 Current Factor, but not the Reconciliation Factor, for January 2022. *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> The 2021 Save Rider is \$0.0431 per therm, or \$2.68 per month, is based on residential customer usage of 746 therms of gas annually.

<sup>17</sup> Staff Report at 14.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 10-11.

<sup>20</sup> *Id.* at 13.

<sup>21</sup> *Id.*

<sup>22</sup> Comments at 1.



as these. The Commission, however, must follow the laws applicable to this case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein. We note that the \$32,401,298 revenue requirement being approved herein is less than the Company's proposed revenue requirement of \$32,477,573.

Accordingly, IT IS ORDERED THAT:

(1) WGL's 2022 SAVE Rider revenue requirement of \$32,401,298, consisting of a Reconciliation Factor of (\$3,614,423) and a Current Factor of \$36,015,721, is hereby approved. Rates consistent with this Order shall become effective on the first day of the February 2022 billing cycle and remain in effect through December 31, 2022.

(2) WGL forthwith shall file with the Clerk of the Commission and shall submit to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance revised tariffs for the 2022 SAVE Rider, with workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk of the Commission shall retain such filing for public inspection both in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(3) This matter is dismissed.

**CASE NO. PUR-2021-00263  
MARCH 24, 2022**

PETITION OF  
SPRINT COMMUNICATIONS COMPANY OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

**ORDER ON RECONSIDERATION**

On November 22, 2021, the State Corporation Commission ("Commission") issued an Order Cancelling Certificates in this case at the request of the petitioner, Sprint Communications Company of Virginia, Inc. ("Sprint" or "Company"), to voluntarily relinquish the certificates of public convenience and necessity ("Certificates") issued to the Company by the Commission.

On December 10, 2021, Sprint filed a Petition for Reconsideration and Suspension of Order Cancelling Certificates ("Reconsideration Petition") pursuant to 5 VAC 5-20-200 of the Commission's Rules of Practice and Procedure.<sup>1</sup> In support of its Reconsideration Petition, the Company stated that as a result of unforeseen business exigencies, Sprint has determined that it wished to maintain the Commission issued certificates for at least a limited period of time. Accordingly, Sprint requested that the Commission suspend its Order Cancelling Certificates while the Company examined this matter further, and stated that Sprint would notify the Commission once it completed its review.

On December 13, 2021, the Commission issued an Order Granting Reconsideration, which (i) granted reconsideration for the purpose of continuing the Commission's jurisdiction over this matter, and (ii) suspended the Order Cancelling Certificates issued on November 22, 2021.

On February 25, 2022, Sprint filed a motion requesting reinstatement of the Order Cancelling Certificates ("Motion for Reinstatement") in which the Company stated that it no longer needed to maintain the Commission issued Certificates, and asked that the Commission to reinstate the Order Cancelling Certificates.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Sprint's Motion for Reinstatement should be granted, that the Order Cancelling Certificates should no longer be suspended, and that cancellation of Sprint's Certificates should be effective as of the date of this order.

Accordingly, IT IS SO ORDERED and this matter is dismissed.

<sup>1</sup> 5 VAC 5-20-10 *et seq.*

**CASE NO. PUR-2021-00268  
FEBRUARY 1, 2022**

APPLICATION OF  
APPALACHIAN POWER COMPANY and TRANSOURCE WEST VIRGINIA, LLC

For approval of an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia

**FINAL ORDER**

On November 9, 2021, Appalachian Power Company ("Appalachian" or "Company") and Transource West Virginia, LLC ("Transource") (collectively, "Applicants") completed the filing, with the State Corporation Commission ("Commission"), of an application ("Application"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),<sup>1</sup> for continued approval of the Services and Property Use Agreement ("Agreement").<sup>2</sup> The

<sup>1</sup> Code § 56-76 *et seq.* ("Affiliates Act")

<sup>2</sup> The Applicants completed the filing of the Application on November 9, 2021, with a letter containing an additional verified signature.

Agreement covers four types of affiliate transactions between the Company and Transource.<sup>3</sup> The current Agreement was previously approved in Case No. PUE-2016-00092<sup>4</sup> and expired on November 21, 2021.<sup>5</sup> The sole modification to the Agreement is an addendum ("Addendum") that changes the legal term of the Agreement from a fixed five-year expiration date to an indefinite term, which may be cancelled by either party with 90 days' notice. The Applicants state that the purpose of the Addendum is to save the Applicants the time and expense of redrafting a new Agreement every five years, and the Addendum does not supplant the Commission's regulatory approval.<sup>6</sup> The Applicants seek approval of the Agreement and Addendum for another five years.

Appalachian, a wholly owned subsidiary of American Electric Power ("AEP"), is an investor-owned public utility that serves approximately 532,000 customers in Virginia.<sup>7</sup> Transource is a wholly owned direct subsidiary of Transource Energy, LLC, which is a joint venture of AEP and Great Plains Energy Incorporated. Accordingly, Appalachian and Transource meet the definition of affiliated interests under the Affiliates Act.

As stated above, the Agreement covers four different types of affiliate transactions. First, the Agreement allowed Transource to use certain Appalachian distribution and transmission property located in West Virginia during the construction of an electric transmission reliability enhancement project, including, but not limited to, laydown yards, storeroom space, and office space for a three-year period following the effective date of the Agreement. In exchange for this benefit, Transource agreed to pay Appalachian a \$20,500 monthly fee for 36 months.<sup>8</sup>

Second, the Agreement allows Appalachian and Transource to share each other's materials, equipment, supplies (collectively, "Materials") and capitalized spare parts ("Capitalized Spares") for the operation of their electric transmission facilities in West Virginia, with all exchanges occurring at net book value. Any part that is replaced by a Material or Capitalized Spare must be repaired, if feasible, and added into the inventory of the party that requested the part.<sup>9</sup> The 2016 Order required that "whenever both companies have a need for the same Material or Capitalized Spare, [Appalachian] shall have first priority."<sup>10</sup>

Third, the Agreement authorizes Appalachian employees to provide certain specific Transmission Services to Transource, including "consultation, analysis, advice and performance of services in connection with matters relating to the operation, inspection, maintenance, construction and emergency restoration of the Transource Transmission Facilities."<sup>11</sup> Additionally, it allows the Company to engage third parties, as needed, to render the Transmission Services. The Agreement states that Appalachian will provide the Transmission Services on an at-cost basis without markup.<sup>12</sup>

Finally, the Agreement grants to each Applicant—and its licensees—a License to attach to or occupy the granting Applicant's transmission facilities, equipment, and real property. The License, which went into effect November 21, 2016, has a term of 50 years and survives any legal expiration of the Agreement because the Company and Transource must be allowed access to their respective transmission plant and equipment built on the other party's property.<sup>13</sup>

<sup>3</sup> The four affiliate transactions are as follows. First, the Agreement allowed Transource to use certain portions of Appalachian's distribution and transmission property in West Virginia primarily for storage purposes ("Storage Property") during the construction of an electric transmission reliability enhancement project ("Thorofare Project"). Second, it allows Appalachian and Transource to exchange materials and capitalized spare parts at net book value. Third, it allows Appalachian to provide certain transmission services ("Transmission Services") to Transource. Finally, it grants each of the Applicants a license ("License") to attach to or occupy the other Applicant's transmission facilities, equipment, and real property.

<sup>4</sup> See *Application of Appalachian Power Company and Transource West Virginia, LLC, For approval pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00092, Doc. Con. Cen. No. 161130169, Order Granting Approval (Nov. 21, 2016) ("2016 Order").

<sup>5</sup> On November 5, 2021, the Applicants filed a Motion for Interim Authority for Continuation of Approved Affiliate Transaction and for Expedited Consideration ("Motion"), requesting that the Commission grant the Applicants interim authority to continue operating under the Agreement while the current Application is under review, and that this authority be granted on an expedited basis. The Commission granted the Motion on November 10, 2021.

<sup>6</sup> The Addendum does not specify a term. The Applicants represent that:

If the Commission is inclined to impose a time limitation, the parties request that the Commission limit its approval of the Addendum to five years, as it did when it originally approved the Services and Property Use Agreement in 2016. In that case, the Applicants will still need to seek approval of any future extension of the Services and Property Use Agreement within five years, but will avoid the need to draft and execute another addendum to the Services and Property Use Agreement.

<sup>7</sup> See Application at 4.

<sup>8</sup> Application, Exhibit A at 1.

<sup>9</sup> Application, Exhibit B at 4.

<sup>10</sup> *Id.* at 3.

<sup>11</sup> 2016 Order at 6.

<sup>12</sup> Application, Exhibit B at 2.

<sup>13</sup> *Id.* at 4.

<sup>14</sup> Application, Exhibit A at 2.

The Applicants represent that the Agreement is in the public interest because allowing them access to each other's Materials and Capitalized Spares at net book value allows for reduced costs and enhanced reliability of their transmission facilities. For example, if Appalachian "experiences an unforeseen shortfall" in Materials or Capitalized Spares, the Company represents that the Agreement "gives [Appalachian] access to them much quicker than if it were required to run a competitive bidding process or obtain them in the marketplace."<sup>14</sup> The Applicants further represent that the Agreement is beneficial because it grants Licenses allowing them to access each other's facilities to the extent required to perform their respective obligations under the Agreement, with compensation at cost.

The Applicants state that the Agreement does not expose Appalachian to any additional business risk.<sup>15</sup> Paragraph 12 of the Agreement provides for Transource to indemnify, defend, and hold harmless Appalachian and its officers, directors, and employees against all claims, demands, actions, suits, damages, liabilities, losses, costs and expenses, judgments, fines, settlements, and other damages for any Transmission Services performed by Appalachian, excepting fraudulent acts, gross negligence, or willful misconduct.

The Applicants represent that they "do not have an estimate of the dollar amount in services, materials, equipment, and/or supplies that they may exchange during . . . the duration of the proposed [A]greement," as all exchanges will take place on an as-needed basis.<sup>16</sup>

NOW THE COMMISSION, upon consideration of this matter, having been advised by Staff through its action brief, and having considered the Applicants' comments thereon, is of the opinion and finds that the proposed Agreement is in the public interest and is approved as modified herein and subject to the requirements listed in the Appendix attached to this Order.

We take note of two specific items of concern. First, the Agreement contains an "including, but not limited to" clause used to describe the Transmission Services that Appalachian may provide to Transource.<sup>17</sup> Consistent with case precedent,<sup>18</sup> we find that this phrase shall be removed and the Transmission Services be limited to those specifically identified and described in the Agreement.

Second, while construction on the Thorofare Project has ended and Transource and Appalachian do not presently use each other's facilities for storage, the Applicants represent that it remains advantageous for both entities to maintain the access and license provided for in the Agreement.<sup>19</sup> Therefore, we will allow Transource to retain access to Appalachian's Storage Property and require that Appalachian be compensated at cost for any storage use.<sup>20</sup>

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved subject to the modifications and requirements listed in the Appendix attached to this Order.
- (2) This case is dismissed.

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<sup>14</sup> Application at 3-4.

<sup>15</sup> Application, Exhibit A at 7.

<sup>16</sup> See Staff's Action Brief at 7, referencing Response to Staff Data Request 1-3.

<sup>17</sup> Application, Exhibit B at 2.

<sup>18</sup> See, e.g., *Application of Essential Utilities, Inc., and Aqua Virginia, Inc., For approval of an affiliate services agreement*, Case No. PUR-2019-00221, 2020 S.C.C. Ann. Rept. 401, Order Granting Approval (Oct. 20, 2020); and *Application of Virginia-American Water Company and American Water Resources, LLC, For authority to continue participation in an agreement for support services pursuant to Va. Code § 56-77 et seq.*, Case No. PUR-2020-0061, 2020 S.C.C. Ann. Rept. 485, Order Granting Approval (Feb. 1, 2021).

<sup>19</sup> See Staff's Action Brief at 7.

<sup>20</sup> As rate-regulated entities, transactions between Appalachian and Transource should be priced at cost. We further note that the Storage Property consists of both distribution and transmission property, and approximately 47% of Appalachian's West Virginia transmission property is included in Virginia jurisdictional rate base.

#### APPENDIX

- 1) The Applicants shall strike the "but not limited to" clause from Paragraph 1 of the Agreement.
- 2) Transource shall retain access to Appalachian's Storage Property, and Appalachian shall be compensated at cost for any storage use.
- 3) The Commission's approval of the Agreement and Addendum shall extend for five years from the effective date of this Order. If the Company wishes to continue under the Agreement and Addendum beyond that date, separate approval shall be required. This five-year limitation does not apply to the License.
- 4) Any exchange of Materials and Capitalized Spares between Appalachian and Transource shall be priced at cost.<sup>1</sup> Whenever each company has a need for the same Material or Capitalized Spare, Appalachian shall have first priority.

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<sup>1</sup> For depreciable assets, cost is net book value.

- 5) The provision of Transmission Services by Appalachian to Transource shall be priced at fully distributed cost. Appalachian shall bear the burden, in any rate proceeding, of demonstrating that it charged Transource fully distributed cost for any Transmission Services provided under the Agreement.
- 6) The Commission's approval shall have no accounting or ratemaking implications.
- 7) The Commission's approval is limited to the specific Transmission Services identified and described in the Agreement. If the Applicants wish to exchange additional Transmission Services not identified and described in the Agreement, separate approval shall be required.
- 8) Separate Commission approval shall be required for Appalachian to provide Transmission Services to Transource through the engagement of any unidentified third-party affiliates under the Agreement.
- 9) The approval granted in this case does not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.
- 10) Separate Commission approval shall be required for any changes in the terms and conditions of the Agreement.
- 11) The Commission reserves the right to examine the books and records of Appalachian and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.
- 12) Appalachian shall file a copy of the approved and executed Agreement within 30 days after the effective date of the Order granting approval in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").
- 13) Appalachian shall include all transactions associated with the Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include:
- a) The case number in which the Agreement was approved;
  - b) The name and type of activity performed by each affiliate under the Agreement; and
  - c) A schedule, in Excel electronic spreadsheet format with formulas intact, listing the prior calendar year's transactions by month, type of Service, FERC account, and dollar amount.

**CASE NO. PUR-2021-00270  
JANUARY 5, 2022**

APPLICATION OF  
APPALACHIAN POWER COMPANY and AEP APPALACHIAN TRANSMISSION COMPANY, INC.

For approval of an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On November 9, 2021, Appalachian Power Company ("APCo" or "Company") and AEP Appalachian Transmission Company, Inc. ("AppTransco") (collectively, "Applicants"), completed the filing of an application ("Application") with the State Corporation Commission ("Commission") under Chapter 4<sup>1</sup> of Title 56 of the Code of Virginia ("Code") that requests approval of a modified Joint License Agreement ("Agreement") between APCo and AppTransco. The current Agreement was previously approved in Case No. PUE-2016-00117.<sup>2</sup>

APCo is owned by American Electric Power ("AEP"). AppTransco is a transmission-only public utility and is a wholly owned subsidiary of AEP. AEP's common ownership and control of the Applicants makes them affiliated for the purposes of the Affiliates Act.

The Agreement grants a mutual license ("License") between the Applicants to attach to or occupy each other's facilities, equipment, and real property in Tennessee for the purpose of constructing, operating, maintaining, and removing transmission facilities and equipment ("Transmission Services").<sup>3</sup> The Transmission Services will be at cost without markup. The primary purpose of the Agreement is to permit AppTransco to remove existing APCo transmission facilities in Tennessee, and to build, own, operate, and maintain AppTransco transmission facilities on APCo's land and rights-of-way in Tennessee.

<sup>1</sup> § 56-76 *et seq.* ("Affiliates Act").

<sup>2</sup> See *Application of Appalachian Power Company and AEP Appalachian Transmission Company, Inc., For approval pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00117, 2016 S.C.C. Ann. Rept. 464, Order Granting Approval (Dec. 19, 2016) ("2016 Order"). Prior to the December 21, 2021 expiration date of the authority granted in the 2016 Order, and based upon timely request of the Applicants, the Commission extended the previously granted authority until its review of the current Application. See *Application of Appalachian Power Company and AEP Appalachian Transmission Company, Inc., For approval pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2021-00270, Doc. Con. Ctr. No. 211140148, Order Granting Motion for Interim Authority (Nov. 12, 2021) ("Order Granting Interim Authority").

<sup>3</sup> The License has a term of 50 years and survives any legal expiration of the Agreement because APCo and AppTransco must be allowed access to their respective plant and equipment built on the other party's property. See Application, Exhibit A at 2. The License went into effect on December 20, 2016.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The sole modification to the Agreement is an addendum ("Addendum") that changes the legal term of the Agreement from a fixed five-year expiration date to an indefinite term with automatic one-year renewals.

The Addendum is intended to save the Applicants the time and expense of redrafting a new Agreement or Addendum every five years<sup>4</sup> and does not supplant the Commission's regulatory approval. The Applicants still seek the Commission's approval of the Agreement and Addendum for another five years.

The Agreement and Addendum will allow each Applicant to carry out its public utility functions more efficiently and cost-effectively and the savings will extend to APCo's customers.

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Company's comments thereon, is of the opinion and finds that the Agreement is in the public interest and should be approved subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved subject to the requirements listed in the Appendix attached to this Order.
- (2) The authority provided in the Order Granting Interim Authority is discontinued.
- (3) This case is dismissed.

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<sup>4</sup> See Application, Exhibit A at 2.

## APPENDIX

1) The Commission's approval of the Agreement and Addendum shall extend for five years from the effective date of the order in this case. If APCo wishes to continue under the Agreement and Addendum beyond that date, separate approval shall be required. This five-year limitation does not apply to the License.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The Commission's approval shall be limited to the specific Transmission Services identified and described in the Agreement. If APCo wishes to provide or receive Transmission Services not specifically identified and described in the Agreement, separate approval shall be required.

4) Separate Commission approval shall be required for APCo to provide or receive Transmission Services through the engagement of any affiliated third parties under the Agreement and Addendum.

5) APCo shall be required to maintain records demonstrating that the Transmission Services provided or received by APCo are cost-beneficial to Virginia ratepayers. Transmission Services exchanged between rate-regulated utilities shall be priced at cost. Transmission Services provided by APCo to unregulated affiliates shall be priced at the higher of cost or market where a market exists. Transmission Services received by APCo from unregulated affiliates shall be priced at the lower of cost or market where a market exists. Records of investigations and comparisons with market prices shall be available to Staff upon request. APCo shall bear the burden of proving, in any rate proceeding, that the Transmission Services provided or received by APCo are priced in accordance with the Commission's asymmetric pricing policy as described above.

6) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 et seq. hereafter.

7) Separate Commission approval shall be required for any changes in the terms and conditions of the Agreement and Addendum.

8) The Commission shall reserve the right to examine the books and records of APCo and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

9) The Company shall file a copy of the approved Agreement and Addendum within 30 days after the effective date of the order granting approval in this case, subject to administrative extension by the Director of the Division of Utility Accounting and Finance ("UAF Director").

10) The Company shall include all transactions associated with the Agreement and Addendum in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:

- (a) List the latest case number in which the Agreement and Addendum was approved;
- (b) List APCo, the affiliate(s), and the Transmission Services provided or received; and
- (c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Transmission Services provided or received by month, type of service, FERC account, and dollar amount (as the transactions are recorded in APCo's books).

**CASE NO. PUR-2021-00272  
AUGUST 31, 2022**

APPLICATION  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: 230 kV Line #293 and 115 kV Line #83 Rebuild Project

**FINAL ORDER**

On November 12, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities in the City of Staunton and Augusta County, Virginia. Dominion filed its Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Specifically, the Company proposed the following rebuild project located within existing right-of-way or on Company-owned property along an approximately 21.4-mile existing transmission corridor in the City of Staunton and Augusta County, Virginia (collectively, "Rebuild Project"):

- Rebuild the approximately 21.4-mile 230 kilovolt ("kV") Staunton-Valley Line #293, which is inclusive of a 3.8-mile section of the 115 kV Craigsville-Staunton Line #83. Specifically, replace 17.6 miles of Line #293, which are supported primarily by single circuit wood H-frame structures, with primarily weathering steel H-frame structures; also replace 3.8 miles of Line #293, which is supported primarily with double circuit COR-TEN® lattice structures that also support 115 kV Line #83, with primarily weathering steel double circuit monopole structures. Additionally, replace the Lines #293 and #83 conductors and shield wires for the entire 21.4 miles; and
- Perform minor related substation work at the Company's Staunton, West Staunton, and Valley Substations.<sup>1</sup>

Dominion stated that the Rebuild Project will replace aging infrastructure at the end of its service life in compliance with the Company's mandatory electric transmission planning criteria and consistent with sound engineering judgment, thereby enabling the Company to maintain the overall long-term reliability of its transmission system, as well as provide important system reliability benefits to Dominion's entire network.<sup>2</sup>

The Company stated that the desired in-service date for the Rebuild Project is December 15, 2025.<sup>3</sup> The Company represented that the estimated conceptual cost of the Rebuild Project (in 2021 dollars) is approximately \$40.8 million, which includes approximately \$40.4 million for transmission-related work and approximately \$0.4 million for substation-related work.<sup>4</sup>

On December 13, 2021, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled public witness and evidentiary hearings; directed the Staff of the Commission ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter.

Staff requested that the Department of Environmental Quality ("DEQ") coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On January 21, 2022, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provided general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contained a Summary of Recommendations regarding the Rebuild Project. According to the DEQ Report, the Company should:

- Follow DEQ's recommendations for construction activities to avoid and minimize impacts to wetlands to the maximum extent possible;
- Follow the Marine Resources Commission's recommendation to initiate a new review with the agency, should the proposed project change;
- Follow DEQ's recommendations regarding erosion and sediment control and stormwater management, as applicable;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, as applicable;
- Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage ("DCR-DNH") to obtain an update on natural heritage information and regarding its recommendations related to karst topography, sinkholes, habitat fragmentation, and invasive species management;
- Coordinate with the Department of Historic Resources ("DHR") regarding the recommendation to perform additional archaeological and architectural surveying;

<sup>1</sup> Ex. 2 (Application) at 2.

<sup>2</sup> *Id.* at 4.

<sup>3</sup> *Id.* Dominion requested that the Commission enter a final order by October 20, 2022. *Id.* The Company stated that, should the Commission issue a final order by October 20, 2022, the Company estimated that construction should begin in August 2023 and be completed in December 2025. *Id.*

<sup>4</sup> *Id.*

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- Coordinate with the Department of Health regarding its recommendations to protect public drinking water sources;
- Coordinate with the Virginia Outdoors Foundation if the project area changes or the project does not start for 24 months;
- Follow the principles and practices of pollution prevention to the maximum extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable;<sup>5</sup>

On May 13, 2022, Staff filed testimony along with an attached report summarizing the results of its investigation of Dominion's Application. On May 26, 2022, the Company filed rebuttal testimony. On June 7, 2022, the Commission received a written comment from Jason Bulluck, Director of DCR-DNH, regarding certain DEQ recommendations. On June 8, 2022, the Chief Hearing Examiner convened the evidentiary hearing in the Commission's courtroom, pursuant to his April 13, 2022, Hearing Examiner's Ruling.<sup>6</sup> Dominion and Staff participated at the hearing. The Commission did not receive any notices of participation.

On June 22, 2022, the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report") was issued. In the Report, the Chief Hearing Examiner made the following findings:

1. The Company has demonstrated the need for its proposed Rebuild Project and has demonstrated the Rebuild Project avoids or reasonably minimizes the impact on existing residences, scenic assets, historic resources and the environment;
2. The Company's Application does not appear to adversely impact any goal established by the Virginia Environmental Justice Act; and
3. With the exception of recommendations to: (i) evaluate pollution complaint cases; (ii) develop and implement an ISMP; and (iii) develop an effective EMS, the recommendations in the DEQ Report should be adopted by the Commission as conditions of approval.<sup>7</sup>

The Chief Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; grants the Company's Application to construct the proposed facilities as specified above; approves the Company's request for a certificate of public convenience and necessity ("CPCN") to authorize construction of the proposed facilities as specified; and dismisses this case from the Commission's docket of active cases.<sup>8</sup>

On June 30, 2022, Dominion filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Rebuild Project. The Commission finds that a CPCN authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

#### Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides the following:

it shall be unlawful for any public utility to construct, enlarge, or acquire . . . any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege.

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that:

<sup>5</sup> Ex. 8 (DEQ Report) at 5-6.

<sup>6</sup> Due to the ongoing public health concerns related to the spread of the virus that causes COVID-19, a telephonic public witness hearing was scheduled for June 7, 2022, but was canceled because no public witness signed up to testify at the hearing. Report at 2.

<sup>7</sup> *Id.* at 23.

<sup>8</sup> *Id.* at 23-24.

[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned.

The Code further requires that the Commission consider existing right-of-way easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, Code § 56-259 C provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

Dominion represented that the Rebuild Project is needed to replace aging infrastructure at the end of its service life along the entire 21.4-mile 230 kV Staunton-Valley Line #293, inclusive of a 3.8-mile section of Line #83 in the City of Staunton and Augusta County.<sup>9</sup> Staff concluded that Dominion reasonably demonstrated the need for the Rebuild Project to continue providing reliable electric transmission service.<sup>10</sup> The Commission finds that the Company has demonstrated the need for the Rebuild Project.

#### Economic Development

The Commission has considered the effect of the Rebuild Project on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Rebuild Project would support economic growth in the Commonwealth by continuing to provide reliable electric service.<sup>11</sup>

#### Rights-of-Way and Routing

Dominion has adequately considered usage of existing right-of-way. The Rebuild Project, as proposed, would be constructed on existing right-of-way and Company-owned property.<sup>12</sup>

#### Impact on Scenic Assets and Historic Districts

As noted above, the Rebuild Project would be constructed on existing right-of-way and Company-owned property already owned and maintained by Dominion.<sup>13</sup> The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with DHR, and the environment of the area concerned, as required by § 56-46.1 B of the Code, subject to the recommendations provided in the following section.

#### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Rebuild Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Rebuild Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild Project. This finding is supported by the DEQ Report, as nothing therein suggests that the Rebuild Project should not be constructed. There are, however, recommendations included in the DEQ Report for the Commission's consideration.<sup>14</sup> The Company opposed three of these recommendations and offered clarification on one other recommendation.<sup>15</sup>

First, Dominion requested that the Commission reject the recommendations by the DEQ Division of Land Protection and Revitalization ("DLPR") to further evaluate the eight pollution complaint cases identified by the DLPR.<sup>16</sup> The Company asserted that the eight petroleum release sites do not warrant further concern regarding the Rebuild Project based on the closed status of the complaints, the time elapsed since the release, and that the release sites are downgradient or downgradient to cross-gradient to the Rebuild Project areas.<sup>17</sup>

<sup>9</sup> Ex. 2 (Application), Appendix at 1.

<sup>10</sup> Ex. 7 (Staff Report) at 18.

<sup>11</sup> *See id.* at 12.

<sup>12</sup> *See* Ex. 2 (Application) at 4-5.

<sup>13</sup> *See id.*

<sup>14</sup> *See* Ex. 8 (DEQ Report) at 5-6. Dominion shall comply with all uncontested recommendations included in the DEQ Report. However, to the extent that Dominion and DEQ, or other appropriate state agency or municipality, reach agreement that certain recommendations included in the DEQ Report are not necessary or have been adequately addressed elsewhere, we find that Dominion need not comply with those specific recommendations.

<sup>15</sup> *See* Ex. 10 (Studebaker Rebuttal) at 3.

<sup>16</sup> *See id.*

<sup>17</sup> Report at 20; *see* Ex. 10 (Studebaker Rebuttal) at 4.



The Company explained that DEQ deems a petroleum release site closed once no further risk to the general public has been identified, although petroleum residue might remain.<sup>18</sup> The Company further explained that DEQ's risk assessment does not always consider the risk to subsurface utility work nor does it address additional costs associated with managing contaminated soil or groundwater.<sup>19</sup> The Company confirmed, however, that it assessed this risk for each of the eight petroleum release sites identified by DLPR and determined that each site should not impact the Rebuild Project.<sup>20</sup> The Commission agrees with the Chief Hearing Examiner that no further action by Dominion concerning the eight petroleum sites is necessary and therefore this recommendation should be rejected.<sup>21</sup>

Dominion next requested that the Commission reject DCR-DNH's recommendation for the Company to develop and implement an invasive species management plan ("ISMP").<sup>22</sup> The Company asserted that this recommendation is unnecessary because it "already has a robust Integrated Vegetation Management Plan ("IVMP") in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species."<sup>23</sup>

Responding to public comments filed by Jason Bulluck, on behalf of DCR-DNH, that the Company's "IVMP focuses on the control of woody vegetation in the interest of construction and maintenance of transmission lines, and their service[.]"<sup>24</sup> the Company maintained, at the evidentiary hearing, that its IVMP includes measures to address undesirable vegetation, including any invasive species and not just woody plants.<sup>25</sup> The Company also expressed concern that DCR-DNH's ISMP would lead to a significant project cost increase and construction delays, which the Company estimated to cost between approximately \$14,000 and \$20,000 per mile for a total estimated cost of approximately \$300,000 to \$430,000, not including the cost to develop the ISMP.<sup>26</sup>

The Chief Hearing Examiner found that the Company, with its IVMP, should not be required to undergo the additional cost of DCR-DNH's ISMP but recommend that Dominion be required to meet with Mr. Bulluck and DCR-DNH in an attempt to come to a mutual agreement moving forward.<sup>27</sup> The Chief Hearing Examiner further recommended that the Company be directed to file the results of its meetings with Mr. Bulluck and DCR-DNH in its next transmission CPCN case after the conclusion of its meetings with Mr. Bulluck and DCR-DNH.<sup>28</sup> In its comments on the Report, Dominion agreed to the recommended meetings and reporting requirements.<sup>29</sup>

The Commission agrees with the Chief Hearing Examiner and declines to adopt DCR-DNH's recommendation regarding an ISMP<sup>30</sup> but directs Dominion to meet with Mr. Bulluck and DCR-DNH and to report on the status of the meetings in the Company's next transmission CPCN case following the conclusion of the meetings.

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<sup>18</sup> Ex. 10 (Studebaker Rebuttal) at 5.

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *See* Report at 20.

<sup>22</sup> Ex. 10 (Studebaker Rebuttal) at 8.

<sup>23</sup> *Id.*

<sup>24</sup> Ex. 9 (DCR-DNH Comments) at 2.

<sup>25</sup> Tr. 26.

<sup>26</sup> Tr. 27-28.

<sup>27</sup> Report at 22.

<sup>28</sup> *Id.*

<sup>29</sup> Dominion Comments at 2.

<sup>30</sup> The Commission has previously rejected similar recommendations regarding an ISMP. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Lockridge 230 kV Line Loop and Lockridge Substation*, Case No. PUR-2019-00215, 2020 S.C.C. Ann. Rept. 391, 393-94, Final Order (Oct. 1, 2020); *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Loudoun-Ox 230 kV Transmission Line Partial Rebuild Projects*, Case No. PUR-2019-00128, 2020 S.C.C. Ann. Rept. 306, 309, Final Order (June 2, 2020); *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Evergreen Mills 230 kV Line Loops and Evergreen Mills Switching Station*, Case No. PUR-2019-00191, 2020 S.C.C. Ann. Rept. 357, 360, Final Order (May 22, 2022); *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Fudge-Hollow-Low Moor Line #112 and East Mill-Low Moor Line #161 138 kV Transmission Line Partial Rebuild*, Case No. PUR-2018-00139, 2019 S.C.C. Ann. Rept. 264, 267, Final Order (Apr. 23, 2019).

Finally, the Company requested that the Commission reject DEQ's recommendation for the Company to consider the development of an effective environmental management system ("EMS").<sup>31</sup> The Company asserts that it "already has a comprehensive EMS Manual in place that ensures the Company is committed to complying with environmental laws and regulations."<sup>32</sup> We find that Dominion's existing EMS achieves the purpose of this recommendation.<sup>33</sup> The Commission agrees with the Chief Hearing Examiner that this recommendation should be rejected.<sup>34</sup>

Dominion also offered a clarification to DCR-DNH's recommendation that the Company field verify the locations of certain identified cave entrances in the Rebuild Project area due to the age of the current location data.<sup>35</sup> In response to this recommendation, Dominion stated that it will attempt to field verify the listed locations of the identified caves utilizing existing mapping and typical survey activities, including geotechnical boring studies, but cautioned that the identified cave entrances will most likely be outside of the right-of-way and located on private property.<sup>36</sup> As an alternative, the Company proposes to plot and identify the cave locations and sinkholes on its Erosion and Sediment Control ("E&SC") Plan and include protective buffers and E&SC measures to avoid cave entrances and sinkholes and ensure safety.<sup>37</sup>

The Chief Hearing Examiner noted that Mr. Jason Bulluck, through his public comments filed on behalf of DCR-DNH, responded favorably to the Company's alternative proposal and further offered assistance to the Company in locating the cave and sinkhole locations.<sup>38</sup> At the evidentiary hearing, the Company asserted its belief that it is "on the same page" with DCR-DNH regarding this recommendation.<sup>39</sup> We agree with the Chief Hearing Examiner that Dominion and DCR-DNH are in agreement regarding this recommendation.<sup>40</sup>

The Commission further finds that Dominion shall be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Rebuild Project.

#### Environmental Justice

The Virginia Environmental Justice Act ("VEJA") sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>41</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>42</sup>

We agree with the Hearing Examiner that the Rebuild Project does not appear to adversely impact the goals established by the VEJA.<sup>43</sup>

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

<sup>31</sup> Ex. 10 (Studebaker Rebuttal) at 10.

<sup>32</sup> *Id.*

<sup>33</sup> The Commission has previously made a similar ruling in prior proceedings. See, e.g., *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

<sup>34</sup> See Report at 22.

<sup>35</sup> See Ex. 10 (Studebaker Rebuttal) at 10-11.

<sup>36</sup> *Id.*; Report at 22.

<sup>37</sup> Ex. 10 (Studebaker Rebuttal) at 11.

<sup>38</sup> Report at 23.

<sup>39</sup> Tr. 32.

<sup>40</sup> See Report at 23.

<sup>41</sup> Code § 2.2-235.

<sup>42</sup> Code § 2.2-234; see, e.g., *Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, 2021 S.C.C. Ann. Rept. 368, 372, Final Order (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, 2021 S.C.C. Ann. Rept. 242, 252, Final Order (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, 2021 S.C.C. Ann. Rept. 190, 195, Final Order (Feb. 1, 2021).

<sup>43</sup> Report at 23.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-AUG-2022-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the City of Staunton and Augusta County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00272, cancels Certificate No. ET-64ab, issued to Virginia Electric and Power Company in Case No. PUR-2019-00049 on November 6, 2019.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Rebuild Project approved herein must be constructed and in service by December 15, 2025. No later than ninety (90) days before the in-service date approved herein, for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

**CASE NO. PUR-2021-00274  
FEBRUARY 8, 2022**

APPLICATION OF  
NOVEL ENERGY SOLUTIONS, L.L.C.

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On November 15, 2021, Novel Energy Solutions, L.L.C. ("Novel" or "Company"), completed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia. Novel seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, Novel attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>1</sup>

On December 6, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before December 14, 2021, and to file proof of service on or before December 21, 2021. On December 7, 2021, the Company filed its proof of service. Dominion filed a notice of participation on January 4, 2022.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before January 4, 2022. No comments were filed.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before January 14, 2022. On January 14, 2022, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.<sup>2</sup> Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.<sup>3</sup>

NOW THE COMMISSION, upon consideration of this matter, finds that Novel's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Novel is hereby granted license No. SS-15 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>1</sup> 20 VAC 5-340-10 *et seq.*

<sup>2</sup> Report at 3-5.

<sup>3</sup> *Id.* at 5.

**CASE NO. PUR-2021-00276  
JULY 26, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: 500 kV Line #514 Partial Rebuild Project

**FINAL ORDER**

On November 18, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities in Loudoun County, Virginia. Dominion filed its Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Through its Application, the Company proposes to do the following:

- Rebuild approximately 2.8 miles of the existing overhead 500 kilovolt ("kV") Doubs-Goose Creek Line #514 from existing Structure #514/1854 (which is not being replaced) located two spans outside of the Company's existing Goose Creek Substation to Structure #514/1841 located at the Virginia-Maryland border. Specifically, replace 12 single circuit 500 kV weathering steel lattice towers and 1 single circuit 500 kV galvanized H-frame structure supporting the existing Line #514 with 13 single circuit 500 kV chemically dulled, galvanized steel lattice towers, and the existing 3-phase twin-bundled 2049.5 AAAC conductors with 3-phase triple-bundled 1351.5 ACSR conductors; and
- Perform related work at the Company's existing Goose Creek Switching Station to support the new line rating for rebuilt Line #514 (collectively, "Rebuild Project").<sup>1</sup>

Dominion states that the Rebuild Project will replace aging infrastructure at the end of its service life in accordance with the Company's mandatory electric transmission planning criteria, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.<sup>2</sup>

The Company states that the desired in-service date for the Rebuild Project is June 1, 2024.<sup>3</sup> The Company represents that the estimated conceptual cost of the Rebuild Project (in 2021 dollars) is approximately \$8.9 million, which includes approximately \$7.3 million for transmission-related work and approximately \$1.6 million for substation-related work.<sup>4</sup>

On December 22, 2021, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled public witness and evidentiary hearings; directed the Commission's Staff ("Staff") to investigate the Application and file its testimony and exhibits; and appointed a Hearing Examiner to conduct all further proceedings in this matter. On April 8, 2022, public comments were submitted by Carla P. Burleson and Kathleen Whitten, both on behalf of Loudoun Water. No notices of participation were filed.

On April 15, 2022, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion had reasonably demonstrated the need for the Rebuild Project.<sup>5</sup> Staff therefore did not oppose the issuance of the certificate of public convenience and necessity ("CPCN") requested in the Company's Application.<sup>6</sup>

Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On January 28, 2022, the Commission received the report filed by DEQ ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ's Office of Wetland and Stream Protection.<sup>7</sup> The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. According to the DEQ Report, the Company should:

1. Follow DEQ's recommendations regarding air quality protection, as applicable;
2. Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable;
3. Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage ("DNH") on its recommendations regarding an inventory for rare plant species, invasive species plan, restoration and maintenance practices, and project updates;

<sup>1</sup> Exhibit ("Ex.") 2 (Application) at 2.

<sup>2</sup> *Id.* at 2-3.

<sup>3</sup> *Id.* at 3. Dominion requests that the Commission enter a final order by September 30, 2022. *Id.* The Company states that, should the Commission issue a final order by September 30, 2022, the Company estimates that construction should begin by October 1, 2023, and be completed by June 1, 2024. *Id.* at 3-4.

<sup>4</sup> *Id.* at 4.

<sup>5</sup> Ex. 7 (Dodson Direct) at Staff Report, p. 16.

<sup>6</sup> *Id.* at Staff Report, p. 16.

<sup>7</sup> Ex. 8 (DEQ Report).

4. Coordinate with the Department of Historic Resources ("DHR") regarding its recommendations to protect historic and archaeological resources;
5. Coordinate with the Virginia Department of Health, as necessary, regarding its recommendation to protect water supplies;
6. Follow the principles and practices of pollution prevention to the maximum extent practicable; and
7. Limit the use of pesticides and herbicides to the extent practicable.<sup>8</sup>

On April 29, 2022, the Company filed rebuttal testimony. In its rebuttal testimony, Dominion supported the conclusion in the Staff Report and addressed specific recommendations in the DEQ Report pertaining to environmental concerns.<sup>9</sup>

On May 3, 2022, Dominion and Staff filed their Joint Motion ("Motion") seeking a cancellation of the May 11, 2022, hearing and allowing the movants to file a stipulation regarding the evidence to be entered into the record.

On May 4, 2022, the Hearing Examiner issued a ruling granting the Motion, cancelling the May 11, 2022, hearing, and required the Company and Staff to file a stipulation providing for the admission of evidence relative to the Application.

On May 9, 2022, the Company and Staff filed a stipulation regarding the evidence to be entered into the record.

On June 27, 2022, the Report of Mary Beth Adams, Hearing Examiner ("Report") was issued. In the Report, the Hearing Examiner found, based on applicable law and the record in this proceeding, that:

1. The Company demonstrated the need for its proposed Rebuild Project and demonstrated that its selected route and use of existing right-of-way ("ROW") will avoid or reasonably minimize the impact on existing residences, scenic assets, historic resources and the environment;
2. The Company's Application does not adversely impact any goal established by the Virginia Environmental Justice Act ("VEJA");<sup>10</sup>
3. The uncontested recommendations in the DEQ Report should be adopted by the Commission as conditions of approval.<sup>11</sup>

The Hearing Examiner recommended that the Commission enter an order that: adopts the findings in the Report; grants the Company's Application to construct the Rebuild Project as specified in the Report; approves the Company's request for a CPCN to authorize construction of the Rebuild Project as specified; and dismisses the case.<sup>12</sup>

On July 7, 2022, the Company filed its comments to the Report in which the Company stated that it supports the Report's findings and recommendations and requested that the Commission adopt the Report and approve the Application.<sup>13</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Rebuild Project. The Commission finds that a CPCN authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

#### Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that:

it shall be unlawful for any public utility to construct, enlarge, or acquire, . . . , any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege.

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to

<sup>8</sup> Ex. 8 (DEQ Report) at 5.

<sup>9</sup> Ex. 9 (Weil Rebuttal) at 2-7.

<sup>10</sup> Code §§ 2.2-234 through 2.2-235.

<sup>11</sup> Report at 13.

<sup>12</sup> *Id.*

<sup>13</sup> Dominion Comments at 3.

local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that:

[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned.

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

Dominion represents that the Rebuild Project is needed, since the structures supporting Line #514 are at or near the end of their useful lives, and continued operation risks negatively impacting the reliability of the Company's transmission system.<sup>14</sup> Staff evaluated the Rebuild Project and concurred with the Company's assessment of need.<sup>15</sup> Staff further concluded that the proposed Rebuild Project utilizes existing ROW or Company-owned property; avoids or minimizes impact on existing residences, scenic assets, historic resources, and the environment, and also that the Application does not appear to adversely impact any goal established by VEJA.<sup>16</sup> The Commission finds that the Company has reasonably demonstrated reliability needs justifying the Rebuild Project to address aging infrastructure that is nearing the end of its useful life.

#### Economic Development

The Commission has considered the effect of the Rebuild Project on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Rebuild Project is a reliability-based rebuild of an existing 500 kV line that supports reliable power flow throughout Virginia and would support economic growth in the Commonwealth by continuing to provide reliable electric service.<sup>17</sup>

#### Rights-of-Way and Routing

Dominion has adequately considered usage of existing ROW. The Rebuild Project, as proposed, would be constructed on existing ROW and Company-owned property.<sup>18</sup>

#### Impact on Scenic Assets and Historic Districts

As noted above, the Rebuild Project would be constructed on existing ROW and Company-owned property already owned and maintained by Dominion. The Commission finds that such construction will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with DHR, and the environment of the area concerned, as required by § 56-46.1 B of the Code, subject to the recommendations provided in the following section.<sup>19</sup>

#### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Rebuild Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Rebuild Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild Project. This finding is supported by the DEQ Report, as nothing therein suggests that the Rebuild Project should not be constructed.

There are, however, recommendations included in the DEQ Report for the Commission's consideration. The Company opposed three such recommendations in its rebuttal testimony.

<sup>14</sup> See Ex. 2 (Application) at 3.

<sup>15</sup> Ex. 7 (Dodson Direct) at Staff Report, p. 16.

<sup>16</sup> *Id.*

<sup>17</sup> See Report at 13 (citing Ex. 7 (Dodson Direct) at Staff Report, p. 10).

<sup>18</sup> See Ex. 2 (Application) at 4.

<sup>19</sup> See *id.*

First, Dominion requests that the Commission reject the recommendation by DCR-DNH that it conduct a habitat survey for the presence of several rare plant species in the Rebuild Project area.<sup>20</sup> The Company asserts that the plant species identified are not threatened or endangered species protected under the Endangered Species Act or a Virginia statute.<sup>21</sup> Dominion has agreed to educate its construction team with information about the plant species prior to commencement of construction and to coordinate with DCR if the species are found in the Rebuild Project area.<sup>22</sup> We agree with the Hearing Examiner that this recommendation should be rejected in light of the identified resource's status and the Company's species education and coordination plan.<sup>23</sup>

Second, Dominion requests that the Commission reject the recommendation by DCR related to development and implementation of an invasive species management plan.<sup>24</sup> The Company asserts that it "already has a robust Integrated Vegetation Management Plan . . . in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species."<sup>25</sup> Dominion therefore states that the development and implementation of a separate invasive species plan is unnecessary.<sup>26</sup> The Commission agrees with the Hearing Examiner that the invasive species plan recommended by DCR is duplicative of the Company's Integrated Vegetation Management Plan and therefore is unnecessary.<sup>27</sup>

Third, Dominion requests that the Commission reject the recommendation in the DEQ Report that the Company consider development of an effective Environmental Management System ("EMS") as unnecessarily duplicative.<sup>28</sup> Dominion states that it already has a comprehensive EMS Manual in place.<sup>29</sup> The Commission agrees with the Hearing Examiner that this recommendation is unnecessary and should not be adopted;<sup>30</sup> this determination is consistent with recent Commission precedent.<sup>31</sup>

Dominion also offered clarifications to certain DEQ recommendations. In response to DHR's mitigation recommendation regarding impacts to the historic Ball's Bluff Battlefield and Ball's Bluff Battlefield and National Cemetery Historic District Boundary Expansion sites resulting from the proposed height increases included in the Rebuild Project and the proposed finish of the structures, the Company states that "[d]ue to existing tree cover and residential and commercial development as well as the planned chemical dulling of the new structures, the visual impact of the [ ] Rebuild Project will remain limited and will not change significantly from current conditions."<sup>32</sup> We agree with the Hearing Examiner that the DHR recommended mitigation plan be rejected because the visual impact resulting from the Rebuild Project will not result in a significant change as compared to current conditions.<sup>33</sup>

The Commission finds that Dominion shall be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Rebuild Project.

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<sup>20</sup> Ex. 10 (Studebaker Rebuttal) at 3.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> Report at 12.

<sup>24</sup> Ex. 10 (Studebaker Rebuttal) at 4-5.

<sup>25</sup> *Id.* at 4.

<sup>26</sup> *Id.* at 4-5.

<sup>27</sup> *See* Report at 12.

<sup>28</sup> Ex. 10 (Studebaker Rebuttal) at 4-5.

<sup>29</sup> *Id.*

<sup>30</sup> *See* Report at 12.

<sup>31</sup> *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Elmont-Ladysmith 500 kV Transmission Line #574 Rebuild and Related Projects*, Case No. PUR-2021-00082, Doc. Con. Cen. No. 220440082, Final Order at 13 (Apr. 29, 2022).

<sup>32</sup> Ex. 9 (Weil Rebuttal) at Schedule 1, p. 8.

<sup>33</sup> *See* Report at 12.

Environmental Justice

The VEJA sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>34</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>35</sup>

We agree with the Hearing Examiner that the use of existing ROW should not result in disproportionately high or adverse impact on environmental justice communities and that the Rebuild Project will not adversely impact the goals established by the VEJA.<sup>36</sup> We direct Dominion to engage environmental justice communities and others affected by the Rebuild Project in a manner that allows them to meaningfully participate in the Rebuild Project development and approval process.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-LDN-2022-C, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Loudoun County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00276, cancels Certificate No. ET-DEV-LDN-2022-B, issued to Virginia Electric and Power Company in Case No. PUR-2021-00280 on July 7, 2022.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Rebuild Project approved herein must be constructed and in service by June 1, 2024. No later than 90 days before the in-service date approved herein, for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

<sup>34</sup> Code § 2.2-235.

<sup>35</sup> Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, Doc. Con. Cen. No. 210210007, Final Order at 14-15 (Feb. 1, 2021).

<sup>36</sup> Report at 13.

**CASE NO. PUR-2021-00278  
JANUARY 12, 2022**

JOINT PETITION OF  
GTT COMMUNICATIONS, INC., GTT AMERICAS, LLC, and GC PIVOTAL, LLC d/b/a GLOBAL CAPACITY

For approval of a transfer of control of GC Pivotal, LLC d/b/a Global Capacity, pursuant to Va. Code § 56-88 *et seq.*

**ORDER GRANTING APPROVAL**

On December 9, 2021, GTT Communications, Inc. ("GTT Parent"), GTT Americas, LLC, and GC Pivotal, LLC d/b/a Global Capacity ("GC Pivotal") (collectively, "Petitioners"), completed the filing of a joint petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>1</sup> requesting approval of the transfer of control of GC Pivotal ("Transfer") in order to effectuate the Chapter 11 plan of reorganization of GTT Parent ("Plan") and certain of its subsidiaries. The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>2</sup>

<sup>1</sup> Code § 56-88 *et seq.*

<sup>2</sup> 5 VAC 5-20-10 *et seq.*



GC Pivotal is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission.<sup>3</sup> As described in the Petition, consummation of the Plan will result in a change in ownership of reorganized GTT Parent, with all existing equity interests in GTT Parent cancelled and extinguished upon emergence from Chapter 11. The Plan provides for the issuance of new equity interests representing 100% of the voting and equity ownership in reorganized GTT Parent to the funded debt creditors ("Creditors"). The Petitioners represent that one of the Creditors, Anchorage Capital Group, LLC, will acquire a 12.25% direct equity and voting interest in reorganized GTT Parent, while the rest of the Creditors will obtain a 10% or less indirect equity and voting interest.

The Petitioners assert that the proposed Transfer will occur at the holding company level. The Petitioners further state that GC Pivotal will continue to provide services to its customers in Virginia without any immediate changes to the rates, terms or conditions of service as currently provided. Lastly, the Petitioners represent that GC Pivotal will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer, as key members of the current management team are expected to continue post Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.<sup>4</sup>

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.
- (2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.
- (3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.
- (4) This case is dismissed

<sup>3</sup> See *Application of GC Pivotal, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2011-00029, 2011 S.C.C. Ann. Rept. 255, Final Order (May 16, 2011).

<sup>4</sup> The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information, to which the Motion pertains, under seal.

**CASE NO. PUR-2021-00278  
JULY 29, 2022**

JOINT PETITION OF  
GTT COMMUNICATIONS, INC., GTT AMERICAS, LLC, and GC PIVOTAL, LLC d/b/a GLOBAL CAPACITY

For approval of a transfer of control of GC Pivotal, LLC d/b/a Global Capacity, pursuant to Va. Code § 56-88 *et seq.*

**ORDER ON MOTION**

On January 12, 2022, the State Corporation Commission ("Commission") entered an Order Granting Approval in this case involving a petition ("Petition") for approval of a proposed transfer of control ("Transfer") of GC Pivotal, LLC d/b/a Global Capacity ("GC Pivotal"),<sup>1</sup> pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code").<sup>2</sup> The Commission approved the proposed Transfer as described in the Petition, which was requested by the petitioners<sup>3</sup> in order to effectuate the Chapter 11 plan of reorganization involving GC Pivotal and its parent companies arising from a proceeding before the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court"). The approved Transfer has not yet been completed, and so, the required report of action has not yet been filed in this docket.

On July 18, 2022, the Petitioners and Lone Star Fund XI, L.P. ("Lone Star") (collectively "Revised Petitioners"), filed a Motion to Amend Order Granting Approval ("Motion") in which the Revised Petitioners requested that the Commission issue a supplemental Order granting Lone Star authority to acquire a greater than 25% interest in GTT Parent, and thereby indirect control over GC Pivotal, under the previously approved Transfer. In support of the Motion, the Revised Petitioners state in part that, it is now anticipated Lone Star may hold a 25% or greater indirect voting and equity interest in the reorganized GTT Parent upon the Petitioners' emergence from bankruptcy.<sup>4</sup> The Revised Petitioners further represent that the Bankruptcy Court has issued

<sup>1</sup> GC Pivotal is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission. See *Application of GC Pivotal, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2011-00029, 2011 S.C.C. Ann. Rept. 255, Final Order (May 16, 2011).

<sup>2</sup> Code § 56-88 *et seq.*

<sup>3</sup> The petitioners in this proceeding as initially filed are GTT Communications, Inc. ("GTT Parent"), GTT Americas, LLC, and GC Pivotal (collectively, "Petitioners").

<sup>4</sup> Motion at 4.

an order confirming the revised restructuring plan.<sup>5</sup> Finally, the Revised Petitioners state that Lone Star's acquisition of control over GC Pivotal pursuant to the Utility Transfers Act will have no effect on the ability of GC Pivotal to continue to provide service to its existing customers in Virginia pursuant to the same rates, terms, and conditions as immediately prior to the consummation of the proposed Transfer, and that GC Pivotal will continue to have access to the financial, technical, and managerial resources necessary to render local exchange and interexchange telecommunications services.<sup>6</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that this case should be reopened for the limited purpose of considering the Motion; the Motion should be granted; the requirements set forth in the Commission's Order Granting Approval should be carried forward and applied to the Revised Petitioners; and this case should be dismissed.

Accordingly, IT IS ORDERED THAT:

- (1) This case is reopened for the limited purpose of considering the Motion.
- (2) The Motion is hereby granted.
- (3) Pursuant to Code §§ 56-88.1 and 56-90, the Revised Petitioners hereby are granted approval of the Transfer as described herein.
- (4) The Revised Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.
- (5) This case is dismissed.

<sup>5</sup> *Id.* at 3-4.

<sup>6</sup> *Id.* at 4-5 (The Revised Petitioners represent that Lone Star will not have any management or operational role in GC Pivotal, and that the addition of Lone Star will not affect the managerial and technical personnel that will continue with GC Pivotal following the Transfer, but will improve the financial resources available to GC Pivotal to provide telecommunications services).

**CASE NO. PUR-2021-00279  
MARCH 4, 2022**

JOINT PETITION OF  
PEERLESS NETWORK HOLDINGS, INC. and OPENMARKET INC.

For approval of a transfer of control pursuant to Va. Code § 56-88 *et seq.*

**ORDER GRANTING APPROVAL**

On January 10, 2022, Peerless Network Holdings, Inc. ("Peerless Holdings"), and OpenMarket Inc. ("OpenMarket") (collectively, "Petitioners"),<sup>1</sup> completed the filing of a joint petition ("Petition") with the State Corporation Commission ("Commission") pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>2</sup> requesting approval of the proposed transfer of control ("Transfer") of Peerless Network of Virginia, LLC ("Peerless-VA") and Airus Virginia, Inc. ("Airus"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.

Peerless-VA and Airus are authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to their certificates of public convenience and necessity issued by the Commission.<sup>3</sup> As described in the Petition, the proposed Transfer will be accomplished pursuant to an agreement and plan of merger whereby Peerless Holdings will become a wholly owned direct subsidiary of OpenMarket, with Peerless-VA and Airus becoming indirectly wholly owned by OpenMarket and its parent companies.

The Petitioners assert that the proposed Transfer will not disrupt the operations of Peerless-VA and Airus. The Petitioners further state that Peerless-VA and Airus will continue to provide services to their existing customers at the same rates, terms, and conditions as currently provided. Lastly, information provided with the Petition indicates that Peerless VA and Airus will continue to have the financial, managerial, and technical resources to render telecommunications services in Virginia following the completion of the proposed Transfer under the control of OpenMarket and its parent companies.

<sup>1</sup> Peerless Network of Virginia, LLC; Airus Virginia, Inc.; OpenMarket Holdings LLC; Infobip Limited; Infobip Holdings Limited; Silvio Kusic; Adams Street Partners LLC; Adams Street Associates, L.P.; and Adams Street Associates, LLC are also considered Petitioners and have provided the statutorily required verifications.

<sup>2</sup> Code § 56-88 *et seq.*

<sup>3</sup> See *Application of Peerless Network of Virginia, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2010-00022, 2010 S.C.C. Ann. Rept. 250, Final Order (Sept. 10, 2010); *Application of IntelePeer Virginia, Inc., For amended and reissued certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services to reflect a company name change*, Case No. PUC-2014-00047, 2014 S.C.C. Ann. Rept. 236, Order Reissuing Certificates (Sept. 26, 2014).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its action brief, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.<sup>4</sup>

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.
- (2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.
- (3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.
- (4) This case is dismissed.

<sup>4</sup> The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information, to which the Motion pertains, under seal.

**CASE NO. PUR-2021-00280  
JULY 7, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: DTC 230 kV Line Loop and DTC Substation

**FINAL ORDER**

On December 2, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities in Loudoun County, Virginia. Dominion filed its Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Through its Application, the Company proposes to construct the following, which is collectively referred to as the "Project":

- a new 230-34.5 kilovolt ("kV") substation in Loudoun County, Virginia ("DTC Substation"), and upgrade line protection at the Company's existing BECO and Beaumeade Substations; and
- a new approximately 1.3-mile overhead 230 kV double circuit transmission line loop on new 100-foot-wide right-of-way<sup>1</sup> by cutting 230 kV Beaumeade-BECO Line #2143 at a junction located between Structures #2143/12-13 adjacent to the Company's existing BECO Substation, resulting in (i) 230 kV Beaumeade-DTC Line #2143 and (ii) 230 kV BECO-DTC Line #2249 ("DTC Loop"). From the junction, the DTC Loop will extend along the proposed route approximately 1.3 miles generally northeast to the proposed DTC Substation. While the proposed junction is located in existing right-of-way, the proposed DTC Loop will be constructed on new right-of-way supported by 15 double circuit, single-shaft galvanized steel poles, and two double circuit galvanized steel 2-pole structures, utilizing three-phase twin-bundled 768.2 ACSS/TW type conductor with a summer transfer capability of 1,574 megavolt amperes ("MVA").<sup>2</sup>

According to the Application, Dominion proposes the Project to provide service requested by three retail electric customers ("Customers"), to maintain reliable service for the overall growth in the area, and to comply with mandatory North American Electric Reliability Corporation Reliability Standards.<sup>3</sup> Dominion further states that the Project is necessary in order to assure that the Company can maintain and improve reliable electric service to customers in the load area surrounding the Company's existing BECO Substation in Loudoun County, Virginia.<sup>4</sup>

<sup>1</sup> Dominion states that "while only 100 feet of new right-of-way is necessary for the proposed Project, the Company proposes to seek to acquire a 160-foot-wide right-of-way to accommodate installation of a third circuit in the same corridor in the future." Ex. 2 (Application) at 2 n.1. Dominion further states that "only the proposed 100-foot right-of-way will be cleared and utilized for the proposed Project." *Id.* Dominion requests that the Commission not prohibit the Company from voluntarily obtaining the full 160-foot-wide right-of-way, with the understanding that the Company could not condemn for more than the 100 feet of right-of-way needed for the proposed Project. *Id.*

<sup>2</sup> *Id.* at 2.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 3.

The Company states that the Customers have requested retail electric service from Dominion to support multiple data center development sites.<sup>5</sup> Dominion further states that this load area where these data centers are being developed is currently served by BECO Substation, and if the summation of these data center projects' unserved load (175 MVA) were connected to the existing BECO Substation, the existing distribution substation equipment would overload.<sup>6</sup> Dominion indicates that connecting these Customers' requested loads to BECO Substation alone would result in (i) substation transformer thermal overloads and (ii) violation of the Company's transmission system reliability criteria set forth in the Facilities Interconnection Requirement document.<sup>7</sup> The Company asserts that the proposed Project is therefore needed to meet the load requirements of the Customers' existing and planned new development projects along with future load growth in the area, which will, in turn, facilitate economic growth in the Commonwealth.<sup>8</sup>

The Company states that the desired in-service date for the Project is June 15, 2024.<sup>9</sup> Dominion identified an approximately 1.30-mile overhead proposed route for the Project (Route 1C) as well as two approximately 1.31-mile overhead alternative routes (Route 1A and Route 1B).<sup>10</sup> The Company represents that the estimated conceptual cost of the Project (in 2021 dollars) utilizing Route 1C is approximately \$102.5 million, which includes approximately \$36.7 million for transmission-related work and approximately \$65.8 million for substation-related work.<sup>11</sup>

On January 4, 2022, the Commission entered an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled an evidentiary hearing; directed the Staff of the Commission ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter.

As also discussed in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review. On February 14, 2022, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains a Summary of Recommendations regarding the Project. According to the DEQ Report, the Company should:

- Follow DEQ's recommendations for construction activities to avoid and minimize impacts to wetlands to the maximum extent possible;
- Follow DEQ's recommendations regarding erosion and sediment control and stormwater management, as applicable;
- Follow DEQ's recommendations regarding air quality protection, as applicable;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, as applicable;
- Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage to obtain an update on natural heritage information and regarding its recommendations to conduct a habitat survey, minimize fragmentation, and develop an invasive species management plan;
- Coordinate with the Department of Historic Resources ("DHR") regarding the recommended archaeological and architectural surveys and submit the results of any surveys to DHR;
- Coordinate with the Department of Health regarding its recommendations to protect public drinking water sources;
- Coordinate with the Virginia Outdoors Foundation if the Project area changes or the project does not start for 24 months;
- Follow the principles and practices of pollution prevention to the maximum extent practicable;
- Limit the use of pesticides and herbicides to the extent practicable; and
- Coordinate with the FAA Washington Airports District Office to submit Form 7460-1 for compliance with federal aviation requirements due to the close proximity of the project to Washington Dulles International Airport.<sup>12</sup>

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<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 3.

<sup>9</sup> *Id.* at 4.

<sup>10</sup> *Id.* at 3-4

<sup>11</sup> *Id.* at 5.

<sup>12</sup> Ex. 29 (DEQ Report) at 5-6.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

US Kincora Purchaser JV, LP ("Kincora Purchaser"), NA Dulles Real Estate Investor, LLC ("NA Dulles"), the Lerner Corporation ("Lerner"), the Board of Supervisors of Loudoun County, Virginia, and the National Rural Utilities Cooperative Finance Corporation ("CFC") each filed a notice of participation in this proceeding. On March 9, 2022, Lerner, Kincora Purchaser, CFC, and NA Dulles each filed testimony. On March 25, 2022, Staff filed testimony along with an attached report summarizing the results of its investigation of Dominion's Application. On April 8, 2022, the Company filed its rebuttal testimony.

Due to the ongoing public health issues related to the spread of COVID-19, the evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on April 20, 2022.<sup>13</sup> The Company, Kincora Purchaser, NA Dulles, CFC, Lerner, and Staff participated at the hearing. In addition, Jason Bulluck, Director of DCR's Virginia Natural Heritage Program, testified regarding certain DEQ recommendations as a public witness on April 20, 2022.

On June 3, 2022, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") was issued. In the Report, the Senior Hearing Examiner made the following findings:

1. The record supports the need for the Project to provide service requested by three customers in Loudoun County, to comply with the Company's transmission system reliability criteria and mandatory NERC Reliability Standards, and to maintain reliable service for overall economic growth in the Project area;
2. The Company's preferred route, Route 1C, reasonably minimizes any adverse impacts of the Project;
3. The Project requires the acquisition of a new approximately 1.30-mile 100-foot-wide right-of-way;
4. The Commission should not prohibit the Company from voluntarily obtaining the full 160-foot-wide right-of-way, with the understanding that the Company could not condemn for more than the 100 feet needed for the Project;
5. The Project will have no material adverse impact on scenic, environmental, or historic resources;
6. DEQ recommendations Nos. 1-4 and 6-11 in the DEQ Report are "desirable or necessary to minimize adverse environmental impact" associated with the Project;
7. DEQ recommendation No. 5 should be adopted in part and rejected in part;
8. The Company reasonably considered, and rejected, alternatives to the proposed Project;
9. The Project does not represent a hazard to public health or safety;
10. The Company reasonably addressed the impact of the Project on aviation resources; and
11. The Company reasonably considered the requirements of the Virginia Environmental Justice Act ("VEJA")<sup>14</sup> in its Application.<sup>15</sup>

The Senior Hearing Examiner recommended that the Commission enter an order that adopts the findings and recommendations in the Report, issues a certificate of public convenience and necessity ("CPCN") for the Company to construct and operate Project, and dismisses this case from the Commission's docket of active cases.<sup>16</sup>

On June 17, 2022, Dominion, Staff, NA Dulles, and Lerner each filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Project. The Commission finds that a CPCN authorizing the Project should be issued subject to certain findings and conditions contained herein.

#### Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct . . . facilities for use in public utility service . . . without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

<sup>13</sup> A public witness hearing was scheduled to be held telephonically on April 19, 2022, but was canceled after no public witnesses signed up to testify.

<sup>14</sup> Code § 2.2-234 *et seq.*

<sup>15</sup> Report at 54-55.

<sup>16</sup> *See id.* at 55.

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing right-of-way easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

The Company states the proposed Project is needed to provide service requested by three Customers in Loudoun County, Virginia, to maintain reliable service for the overall growth in the Project area, and to comply with mandatory NERC Reliability Standards.<sup>17</sup> Staff concluded that Dominion reasonably demonstrated the need for the Project.<sup>18</sup> The Commission agrees with the Senior Hearing Examiner that the record supports the need for the Project.<sup>19</sup>

#### Economic Development

The Commission has considered the effect of the Project on economic development in the Commonwealth and finds that the Project will maintain reliable service for overall economic growth in the Project area, thereby supporting economic development.<sup>20</sup>

#### Rights-of-Way and Routing

In making determinations about the routing of a transmission line, "the Commission must balance adverse impacts along with other factors and traditional considerations."<sup>21</sup> The Commission must then "decide within the parameters of the statute what best serves the total public interest."<sup>22</sup> The Company presented three alternatives for the route of the Project. Route 1C is the Company's preferred route and Routes 1A and 1B are alternative routes presented in the Application. After considering the alternatives and weighing the multitude of factors presented in this record, the Commission concludes that Route 1C satisfies the statutory requirements and best serves the total public interest. The record reflects that of the three routes developed for the Project, Route 1C is the shortest and would require the least amount of clearing of forested land.<sup>23</sup> Route 1C would also minimize impact on the pedestrian/multi-use trail that is adjacent to Russell Branch Parkway.<sup>24</sup> We further find that the adverse impacts of Route 1C are comparatively less than the adverse impacts of Routes 1A and 1B.

While construction of Route 1C would temporarily impact parking at Lerner's 1 Dulles Town Center ("1DTC") office building, any parking spaces impacted during construction would be reopened and could be used as they were prior to construction.<sup>25</sup> Furthermore, Dominion has committed to working with Lerner to minimize impacts to parking during construction.<sup>26</sup> 1DTC currently has 120 vacant parking spaces,<sup>27</sup> and the record indicates that approximately 40 to 50 spaces would be impacted during construction.<sup>28</sup> 1DTC will therefore continue to have sufficient parking spaces during construction until the impacted spaces are reopened.

<sup>17</sup> Ex. 2 (Application), Appendix at 1.

<sup>18</sup> Ex. 28 (Staff Report) at 21.

<sup>19</sup> Report at 43, 54.

<sup>20</sup> See *id.* at 42, 43, 54.

<sup>21</sup> *BASF v. State Corp. Com'n*, 289 Va. 375, 395 (2015) (citations and internal quotation marks omitted).

<sup>22</sup> *Id.*

<sup>23</sup> Ex. 2 (Application), Appendix at 60; Ex. 37 (Berkin Rebuttal) at 11.

<sup>24</sup> See Ex. 2 (Application), Routing Study at 63, 65.

<sup>25</sup> Ex. 35 (Crenshaw Rebuttal) at 4-5; Tr. 205; Dominion Post-Hearing Brief at 7.

<sup>26</sup> Dominion Post-Hearing Brief at 7.

<sup>27</sup> Tr. 153, 169.

<sup>28</sup> Tr. 127-128, 168-169. Lerner witness Canonico testified that approximately 85 spaces could be impacted if the Company extended the right-of-way to 160 feet but confirmed that Dominion has no plans to do so on Lerner's 1DTC property. Ex. 26 (Canonico Direct) at 4; Tr. 181.

Route 1C would involve tree removal impacts on 1DTC's buffer as well as present certain limited visual impacts to 1DTC.<sup>29</sup> Lerner specifically expressed concern that Route 1C would take the 1DTC property out of compliance with the Loudoun County Zoning Ordinance and jeopardize its visual and noise abatement buffer with trees being removed to accommodate the new transmission right-of-way.<sup>30</sup> In response, Dominion agreed to work with Lerner to address and resolve any potential non-conformity issues with the buffer in negotiations for the transmission line easement.<sup>31</sup> Lerner witness Canonico acknowledged that any non-conformity issues could also be addressed in a condemnation action, the result of which would be a legal non-conforming use.<sup>32</sup> In terms of visual impacts upon 1DTC, we agree with the Senior Hearing Examiner that the transmission towers would impact only the tenants on the north side of the 1DTC building but would not overwhelm the view from the building's north side given the distance to the line and the number of towers.<sup>33</sup> We also agree with the Senior Hearing Examiner that the noise impacts on 1DTC would be no different than they are now.<sup>34</sup>

Routes 1A and 1B, on the other hand, would require that Kincora Purchaser redesign its proposed data center by either stacking the equipment in its equipment yard or adding a third story to the data center building.<sup>35</sup> The record shows that stacking the equipment would cost an additional approximately \$10 million, and adding a third story would cost an additional approximately \$8 million.<sup>36</sup> A stacked equipment yard, which Kincora Purchaser argued was not a viable option,<sup>37</sup> would present significant constructability and operational issues, including safety concerns.<sup>38</sup> A three-story data center would also present similar issues in terms of constructability<sup>39</sup> and marketability.<sup>40</sup>

Routes 1A and 1B would also impact NA Dulles' mixed-use development by placing transmission lines closer to the viewshed of civic and residential properties within the development.<sup>41</sup>

As an alternative to Routes 1A, 1B, and 1C, Lerner proposed a diagonal crossing of Russell Branch Parkway and Sully Road,<sup>42</sup> which the Senior Hearing Examiner declined to adopt.<sup>43</sup> The Senior Hearing Examiner explained his reasoning as follows:

[T]he decision to approve a diagonal crossing does not rest with Dominion, but with [the Virginia Department of Transportation ("VDOT")]. VDOT informed Dominion twice that its regulations would not permit a diagonal crossing. Lerner takes issue with the fact that Dominion did not appeal the decision to the Northern Virginia District Engineer. Under the circumstances, Dominion's actions were reasonable. After having been told twice that VDOT's regulations only permit perpendicular crossings, Dominion had to evaluate the likelihood that the District Engineer would reverse the decision of his or her employees, which was not likely given the existence of a regulation directly on point.<sup>44</sup>

Lerner requests that the Commission direct Dominion to take formal action with VDOT to remove any legal or regulatory constraints preventing a diagonal route.<sup>45</sup> We decline to do so. Both Russell Branch Parkway and Sully Road are managed by VDOT, with Sully Road classified as a limited access highway and Russell Branch Parkway as a non-limited access highway.<sup>46</sup> Lerner's proposed diagonal route would cross both roadways, meaning that Dominion would be required to seek waivers under two separate sections of VDOT's regulations—one for limited access roadways and one for non-limited access roadways.<sup>47</sup> Indeed, the record reflects that VDOT confirmed to Dominion that the involvement of two roadways would complicate any request for a

<sup>29</sup> See Tr. 188, 190; Ex. 2 (Application), Appendix at 118-120, Routing Study at 60.

<sup>30</sup> Lerner Post-Hearing Brief at 14-15.

<sup>31</sup> Ex. 37 (Berkin Rebuttal) at 10; Dominion Post-Hearing Brief at 8.

<sup>32</sup> Tr. 181-183

<sup>33</sup> Report at 44.

<sup>34</sup> *Id.*

<sup>35</sup> Ex. 16 (Connell Direct) at 4; Ex. 18 (Bustamante Direct) at 7.

<sup>36</sup> Ex. 16 (Connell Direct) at 5-6; Ex. 17 (Weismiller Direct) at Exhibit E.

<sup>37</sup> Kincora Purchaser Post-Hearing Brief at 5-7.

<sup>38</sup> Tr. 76-77, 96.

<sup>39</sup> Ex. 16 (Connell Direct) at 6; see Tr. 75.

<sup>40</sup> Tr. 98.

<sup>41</sup> Ex. 19 (Coughlan Direct) at 3, 9.

<sup>42</sup> Ex. 22 (Fuccillo Direct) at 5-6.

<sup>43</sup> See Report at 45.

<sup>44</sup> *Id.*

<sup>45</sup> Lerner Comments at 10-11.

<sup>46</sup> Ex. 37 (Berkin Rebuttal) at 9-10.

<sup>47</sup> See 24 VAC 30-151-310, -330; Tr. 227-228.

diagonal crossing.<sup>48</sup> VDOT also indicated to Dominion that if a perpendicular crossing were possible and no physical obstacle would prevent construction, the diagonal crossing would be rejected.<sup>49</sup> We agree with the Senior Hearing Examiner that Dominion was reasonable to conclude that submitting an application to the district engineer would not have yielded a different result, given the circumstances.<sup>50</sup>

Finally, we find that the record in this case indicates that no Company-owned right-of-way can accommodate the Project.<sup>51</sup> Consistent with our rulings in prior cases, we will not prohibit the Company from voluntarily obtaining the full 160 feet of right-of-way; however, the Company shall not exercise the right to condemnation for more than the 100 feet of right-of-way needed for the Project.<sup>52</sup>

#### Impact on Scenic Assets and Historic Resources

Based on the foregoing, the Commission agrees with the Senior Hearing Examiner and finds that the route approved herein for the Project will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with DHR, and environment of the area concerned, as required by § 56-46.1 B of the Code, subject to the requirements provided in the following section.<sup>53</sup>

#### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Project. This finding is supported by the DEQ Report, as nothing therein suggests that the Project should not be constructed. There are, however, recommendations in the DEQ Report for the Commission's consideration.<sup>54</sup> The Company opposed three of these recommendations.<sup>55</sup> The Senior Hearing Examiner found one of the recommendations should be adopted and two recommendations should be rejected.<sup>56</sup>

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<sup>48</sup> Tr. 229.

<sup>49</sup> *Id.* at 228.

<sup>50</sup> *See* Report at 45.

<sup>51</sup> *See* Ex. 2 (Application), Appendix at 49.

<sup>52</sup> *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Evergreen Mills 230 kV Line Loops and Evergreen Mills Switching Station*, Case No. PUR-2019-00191, 2020 S.C.C. Ann Rept. 357, 360, Final Order (May 22, 2022).

<sup>53</sup> *See* Report at 47-48, 54.

<sup>54</sup> *See* Ex. 29 (DEQ Report) at 5-6. Dominion shall comply with all uncontested recommendations included in the DEQ Report. However, to the extent that Dominion and DEQ, or other appropriate state agency or municipality, reach agreement that certain recommendations included in the DEQ Report are not necessary or have been adequately addressed elsewhere, we find that Dominion need not comply with those specific recommendations.

<sup>55</sup> *See* Ex. 36 (Studebaker Rebuttal) at 3. Jason Bulluck, Director of DCR's Virginia Natural Heritage Program, offered additional public witness testimony supporting DCR's recommendations (i) to conduct a preconstruction survey for rare non-listed plant species and (ii) to develop an invasive species management plan for the Project. Tr. 10-21.

<sup>56</sup> Report at 49-50.



Dominion first requested that the Commission reject DCR's recommendation for the Company to conduct a habitat survey for rare plant species that may occur in the Project area.<sup>57</sup> The Company asserts that the identified plant species are not threatened or endangered species protected under the Endangered Species Act or under a Virginia statute.<sup>58</sup> Accordingly, the Company does not believe that it is appropriate for Dominion's customers to bear the additional costs related to this recommendation.<sup>59</sup> Dominion nevertheless agrees to educate its construction team with information about the plant species prior to the commencement of construction activities and agrees to coordinate with DCR if the species is found within the Project area.<sup>60</sup> Based on the record developed herein, the Commission agrees with Dominion that customers should not bear the costs of the recommended survey.<sup>61</sup> The Commission therefore declines to adopt DCR's recommendation but directs the Company to educate its construction personnel regarding the plant species prior to the commencement of construction activities and to coordinate with DCR if the species is found within the Project area.<sup>62</sup>

Dominion next requested that the Commission reject DCR's recommendation for the Company to develop and implement an invasive species management plan.<sup>63</sup> The Company asserts that this recommendation is unnecessary because it "already has a robust Integrated Vegetation Management Plan . . . in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species."<sup>64</sup> The Hearing Examiner found that the Company's existing vegetation management plan "is consistent with ANSI standards and NERC Vegetation Management Standards that adequately addresses invasive species."<sup>65</sup> The Commission agrees with the Senior Hearing Examiner that this recommendation should be rejected.<sup>66</sup>

The Company finally requested that the Commission reject DEQ's recommendation for the Company to consider the development of an effective environmental management system ("EMS").<sup>67</sup> The Company asserts that it "already has a comprehensive EMS Manual in place that ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in its environmental performance . . . ."<sup>68</sup> We find that Dominion's existing EMS achieves the purpose of this recommendation.<sup>69</sup> The Commission agrees with the Senior Hearing Examiner that the DEQ's recommendation for the Company to develop an EMS should be rejected.<sup>70</sup>

#### Environmental Justice

The VEJA sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>71</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>72</sup>

<sup>57</sup> Ex. 36 (Studebaker Rebuttal) at 3-4.

<sup>58</sup> *Id.* at 3.

<sup>59</sup> *Id.*

<sup>60</sup> *Id.* at 3-4.

<sup>61</sup> In this regard, Dominion asserts it would use a trained environmental consultant, or in certain cases one of the Company's few biologists, and that any costs associated with the use of consultants would be capital costs of the Project, and ultimately would be recovered through Rider T1. Dominion Comments at 8.

<sup>62</sup> The Commission has previously made similar rulings in other cases. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Lanexa-Northern Neck 230 kV Line #224 and New 230 kV Line #2208*, Case No. PUR-2020-00247, Doc. Con. Cen. No. 211210030, Final Order at 8 (Dec. 2, 2021); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Suffolk-Swamp 230 kV Transmission Line #247, Virginia Rebuild Project*, Case No. PUR-2019-00078, 2019 S.C.C. Ann. Rept. 434, 437 Final Order (Nov. 8, 2019); *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Fudge-Hollow-Low Moor Line #112 and East Mill-Low Moor Line #161 138kV Transmission Line Partial Rebuild*, Case No. PUR-2018-00139, 2019 S.C.C. Ann. Rept. 264, 267 Final Order (Apr. 23, 2019).

<sup>63</sup> Ex. 36 (Studebaker Rebuttal) at 4-5.

<sup>64</sup> *Id.* at 4.

<sup>65</sup> Report at 50 (citing Ex. 36 (Studebaker Rebuttal) at 4-5).

<sup>66</sup> *See* Report at 50, 54.

<sup>67</sup> Ex. 36 (Studebaker Rebuttal) at 3, 6.

<sup>68</sup> *Id.*

<sup>69</sup> The Commission has previously made a similar ruling in prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

<sup>70</sup> *See* Report at 50, 54.

<sup>71</sup> Code § 2.2-235.

<sup>72</sup> Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021).

We agree with the Hearing Examiner that the Project does not appear to adversely impact the goals established by the VEJA.<sup>73</sup>

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-LDN-2022-B, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Loudoun County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00280, cancels Certificate No. ET-DEV-LDN-2022-A, issued to Virginia Electric and Power Company in Case No. PUR-2021-00100 on February 8, 2022.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Project approved herein must be constructed and in service by June 15, 2024. No later than 90 days before the in-service date approved herein, except for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

<sup>73</sup> Report at 55.

**CASE NO. PUR-2021-00282  
JUNE 30, 2022**

PETITION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of a rate adjustment clause, designated Rider RPS, under § 56-585.1 A 5 d of the Code of Virginia for the Rate Year commencing September 1, 2022

**FINAL ORDER**

On December 6, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") for revision of a rate adjustment clause, designated Rider RPS, pursuant to § 56-585.1 A 5 d of the Code of Virginia ("Code") and the directive contained in Ordering Paragraph (5) of the Final Order issued by the Commission on July 1, 2021, in Case No. PUR-2020-00170.<sup>1</sup> Through its Petition, Dominion seeks to recover projected and actual costs related to compliance with the mandatory renewable energy portfolio standard program ("RPS Program") established in the Virginia Clean Economy Act ("VCEA").<sup>2</sup> In this proceeding, Dominion has asked the Commission to approve Rider RPS for the rate year beginning September 1, 2022 and ending August 31, 2023 ("Rate Year").<sup>3</sup>

On December 22, 2021, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, docketed the Petition; scheduled public hearings on the Petition; required Dominion to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the Virginia Committee for Fair Utility Rates ("Committee") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

Commission Staff ("Staff") filed testimony on March 18, 2022, and the Company filed its Letter in lieu of Rebuttal Testimony on March 30, 2022. The Commission received one written comment from an interested person regarding the Petition.

<sup>1</sup> *Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider RPS, under § 56-585.1 A 5 d of the Code of Virginia*, Case No. PUR-2020-00170, Doc. Con. Cen. No. 210710001, Final Order (July 1, 2021) ("2020 Rider RPS Proceeding").

<sup>2</sup> Exhibit ("Ex.") 2 (Petition) at 1. *See also* 2020 Va. Acts chs. 1193, 1194.

<sup>3</sup> Ex. 2 (Petition) at \_\_\_.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Due to the ongoing public health emergency related to the spread of the coronavirus, a telephonic public witness hearing was scheduled for April 12, 2022, but was canceled because no public witness signed up to testify at the hearing. The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on April 13, 2022. Dominion, Consumer Counsel, and Staff participated in the hearing.

On April 20, 2022, the Chief Hearing Examiner issued the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report"). In his Report, the Chief Hearing Examiner found that the Commission should approve a total Rider RPS revenue requirement of \$140,036,000, which produces a Rider RPS Cost Recovery Rate for the Rate Year of \$0.001810 per kilowatt hour.<sup>4</sup> The Chief Hearing Examiner further found that the Company's proposal to adjust the rate year for Rider RPS by one month to begin September 1<sup>st</sup> of each year should be approved.<sup>5</sup>

The Chief Hearing Examiner noted that the Company addressed the issue of Partial Accelerated Renewable Energy Buyers ("ARBs") in this proceeding as directed in the 2020 Rider RPS Proceeding.<sup>6</sup> The Chief Hearing Examiner further noted that, at the hearing, counsel for the Company, Staff, and Consumer Counsel agreed that issues concerning partial ARBs should be addressed in the RPS Cost Allocation Proceeding.<sup>7</sup>

The Chief Hearing Examiner recommended that the Commission adopt the findings in the Report and approve the updated Rider RPS consistent with the recommendations in the Report.<sup>8</sup>

On April 26, 2022, the Company filed comments on the Hearing Examiner's Report requesting that the Commission issue a final order in this proceeding adopting the recommendations of the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings and recommendations set forth in the Chief Hearing Examiner's Report and finds that a total revenue requirement for Rider RPS of \$140,036,000 for the Rate Year should be approved.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations set forth in the Report are hereby adopted.
- (2) Rider RPS is approved herein with a Rate Year revenue requirement of \$140,036,000.
- (3) The Company' request to adjust the rate year for Rider RPS by one month to begin September 1<sup>st</sup> of each year is approved.
- (4) Rider RPS, as approved herein, shall be effective for service rendered on and after September 1, 2022.
- (5) The rates approved in the 2020 Rider RPS Proceeding, Case No. PUR-2020-00170, shall remain in effect through August 31, 2022.
- (6) The Company forthwith shall file a revised Rider RPS and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (7) The Company shall file its next Rider RPS application on or after December 6, 2022.
- (8) This case is dismissed.

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<sup>4</sup> Report at 12.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 11-12.

<sup>7</sup> *Id.* See *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing a proceeding concerning the allocation of RPS-related costs and the determination of certain proxy values for Virginia Electric and Power Company*, Case No. PUR-2021-00156 ("RPS Cost Allocation Proceeding").

<sup>8</sup> Report at 12.

**CASE NO. PUR-2021-00283  
MAY 26, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For approval to amend its SAVE Plan pursuant to § 56-604 B of the Code of Virginia

**FINAL ORDER**

On December 1, 2021, in accordance with § 56-604 B of the Code of Virginia ("Code"), a provision of the Steps to Advance Virginia's Energy Plan (SAVE) Act,<sup>1</sup> Washington Gas Light Company ("WGL" or "Company") filed with the State Corporation Commission ("Commission") its application for approval to amend its SAVE Plan ("Application"). Per WGL, its proposed Amended SAVE Plan<sup>2</sup> contains amendments to items previously approved under its currently effective SAVE Plan (which expires on December 31, 2022),<sup>3</sup> as well as one proposed new transmission system program.<sup>4</sup>

As originally filed, WGL's proposed Amended SAVE Plan contemplates an investment of approximately \$889 million for the five-year period 2023-2027,<sup>5</sup> with an average approximate annual investment of \$178 million, to continue work for previously approved SAVE Plan programs as well as the proposed new transmission system program.<sup>6</sup>

In this Application WGL specifically proposes, based on its risk analysis and projected resource availability, to: (i) continue replacements for previously approved distribution system programs;<sup>7</sup> (ii) continue replacements for previously approved transmission programs;<sup>8</sup> and (iii) conduct a new transmission system program, called "Replacement of Components of DOT [Department of Transportation] Transmission and High-Pressure Pipes to Enable the Use of In-Line Inspection ("ILI") Tools."<sup>9</sup>

The Company anticipates that, of the approximately \$889 million proposed accelerated replacement investment for calendar years 2023-2027, \$837.3 million will be used for replacement of distribution system facilities while \$51.3 million will be used for replacement of transmission system facilities.<sup>10</sup> Consistent with the filing requirements in Code § 56-604 A, the Company proposes to recover its anticipated expenditures through a monthly rider on customers' bills.<sup>11</sup> The Company has not requested a change to the SAVE Rider in this case; however, it states that based on the proposed Amended SAVE Plan investments, the Company estimates an average residential customer bill would increase in 2023 by approximately \$0.94 per month relative to the 2022 average bills estimated in the Company's most recent SAVE Rider update proceeding.<sup>12</sup>

On December 14, 2021, the Company filed a letter containing additional information related to its Application. The letter clarified that, consistent with the Commission's previous approvals for WGL's initial and prior amendments to its SAVE Plan, total SAVE Plan program expenditures for the proposed Amended SAVE Plan in this proceeding, for the five-year period 2023-2027, will continue to be capped at 105% of the total SAVE Plan approved amount, and annual expenditures will not exceed 125% of the amount approved for each year.<sup>13</sup> WGL further noted that, consistent with the representations made in its Application, the Company will "continue to comply with the parameters and rigorous filing and reporting requirements previously directed by the Commission."<sup>14</sup>

<sup>1</sup> Code §§ 56-603 through 56-604.

<sup>2</sup> The Commission approved WGL's initial SAVE Plan in 2011. See *Application of Washington Gas Light Company, For approval of a SAVE plan and rider as provided by Va. Code § 56-604*, Case No. PUE-2010-00087, 2011 S.C.C. Ann. Rept. 345, Order Approving SAVE Plan and Rider (Apr. 21, 2011). The Commission approved WGL's most recent amendment to its SAVE Plan in 2017. See *Application of Washington Gas Light Company, For approval to amend its SAVE plan pursuant to § 56-604 B of the Code of Virginia*, Case No. PUR-2017-00102, 2017 S.C.C. Ann. Rept. 546, Order (Nov. 21, 2017).

<sup>3</sup> Application at 1.

<sup>4</sup> *Id.* at 3.

<sup>5</sup> *Id.* at 7. WGL reports that its total SAVE investment from July 1, 2010 to the end of October 2021 is approximately \$695 million. *Id.* at 2.

<sup>6</sup> *Id.* at 3. Given the above, the Company and the Staff of the Commission ("Staff") have agreed to have this case considered under the 180-day timeline that is utilized for new SAVE Plan applications. See Code § 56-604 B.

<sup>7</sup> Application at 8. WGL states that it is not proposing any new distribution system replacement programs for the 2023-2027 period. *Id.*

<sup>8</sup> *Id.* at 9.

<sup>9</sup> *Id.* The transmission system programs, referred to by the Company as Transmission Programs 1 through 5, are collectively referred to herein as the "Transmission Programs."

<sup>10</sup> *Id.* at 8-9.

<sup>11</sup> *Id.* at 10.

<sup>12</sup> *Id.* (as corrected by the errata filing dated January 4, 2022). See also *Application of Washington Gas Light Company, For Approval of the SAVE Rider for Calendar Year 2022*, Case No. PUR-2021-00261, Doc. Con. Cen. No. 220120204, Order Approving SAVE Rider (Jan. 21, 2022).

<sup>13</sup> Letter dated December 14, 2021 at 1 (citing Case No. PUE-2010-00087).

<sup>14</sup> *Id.* at 1 (citing Application at 6).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On December 22, 2021, the Commission issued an Order for Notice and Comment ("Procedural Order"), which, among other things, required WGL to provide public notice of its Application; provided interested persons an opportunity to file comments on the Application, file notices of participation, or request a hearing on the Application, and required the Staff to investigate the Application and file a report ("Staff Report" or "Report") containing its findings and recommendations.

On January 4, 2022, the Company made an errata filing correcting certain information contained in the Application. On January 20, 2022, the Commission issued an Amended Order for Notice and Comment modifying certain provisions of the Procedural Order based on the Company's errata filing.

No notices of participation, requests for hearing or comments were filed in this matter.

On March 25, 2022, the Company filed the revised direct testimony of Aaron C. Stuber.

On April 22, 2022, Staff filed its Report containing its findings and recommendations.

On May 6, 2022, WGL filed its public comments ("WGL Comments") on the Staff Report and on May 10, 2022, WGL filed the confidential version of its comments on the Staff Report under seal.<sup>15</sup>

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that WGL's Application should be: (1) denied as filed; and (2) approved as set forth herein, subject to the requirements of this Order.

#### Code of Virginia

Code § 56-603 includes the following definitions:

Eligible infrastructure replacement" means natural gas utility facility replacement projects that: (i) enhance safety or reliability by reducing system integrity risks associated with customer outages, corrosion, equipment failures, material failures, or natural forces; (ii) do not increase revenues by directly connecting the infrastructure replacement to new customers; (iii) reduce or have the potential to reduce greenhouse gas emissions; (iv) are commenced on or after January 1, 2010; and (v) are not included in the natural gas utility's rate base in its most recent rate case using the cost of service methodology set forth in § 56-235.2, or the natural gas utility's rate base included in the rate base schedules filed with a performance-based regulation plan authorized by § 56-235.6, if the plan did not include the rate base. "Natural gas utility facility replacement project" means the replacement of storage, peak shaving, transmission or distribution facilities used in the delivery of natural gas, or supplemental or substitute forms of gas sources by a natural gas utility.

The SAVE Act states that the Commission "may approve such a plan," and, if denied, the Commission "shall set forth with specificity the reasons for such denial."<sup>16</sup> Accordingly, the Commission sets forth as follows.

#### Out-of-State Transmission Projects

Staff recommends that the Commission not approve certain out-of-state transmission projects, stating that the location of the targeted infrastructure outside of Virginia makes it difficult to assess how that infrastructure complies with the requirements of Code § 56-603.<sup>17</sup> Specifically, Staff questions whether the Company has proven that these projects are SAVE eligible replacement projects that ". . . enhance safety or reliability by reducing system integrity risks associated with customer outages, corrosion, equipment failures, mechanical failures, or natural forces . . ."<sup>18</sup>

In response to Staff's recommended exclusion of certain out-of-state projects, WGL states, among other things, that it "operates an integrated system across its service territory that must be maintained to ensure safe, reliable and adequate natural gas service to customers in the Commonwealth, but also in Maryland and the District of Columbia [and] consideration must be given to the fact that benefits of system enhancement, wherever implemented, will flow to all customers, and not only those who reside where such facilities are located."<sup>19</sup>

<sup>15</sup> The Commission hereby exercises its discretion to accept the late-filed confidential version of WGL's Comments out-of-time.

<sup>16</sup> Code § 56-604 A and B.

<sup>17</sup> Staff Report at 39.

<sup>18</sup> *Id.* at 22. Staff, however, "notes that these recommendations are not meant to serve as an overall Staff opinion as to the prudence of these projects, nor should it influence the Company to avoid undertaking action it believes is necessary to either (1) ensure public safety or (2) comply with the Commission's Pipeline Safety Standards." *Id.* at 39.

<sup>19</sup> WGL Comments at 5.

With regard to the out-of-state Transmission Program projects opposed by Staff, we agree with Staff and find that the Company has not carried its burden of proof to demonstrate how the proposed out-of-state projects opposed by Staff meet the statutory requirements of the SAVE Act. With respect to each of the out-of-state projects that the Commission finds ineligible for inclusion in WGL's Amended SAVE Plan herein, the Commission concludes that the Company has not presented sufficient data in this record to establish the requisite factual finding. In particular, we do not find the fact that WGL operates an integrated transmission system sufficient to justify SAVE treatment for out-of-state projects that may not ultimately increase safety or reliability in Virginia.<sup>20</sup> This does not represent a finding that an out-of-state project could never qualify for inclusion in a SAVE Plan,<sup>21</sup> nor a legal determination of such. This conclusion is based on the current record and does not preclude WGL from presenting evidence in a future proceeding if it subsequently seeks SAVE Plan treatment for these and similar projects. Such requests will be evaluated based on the record of those proceedings.

Regarding specific proposed out-of-state projects, the following further supports the Commission's determination that the Company has not carried its burden of proof:

- Strips 12 and 24 are fully located in Maryland and the Company has not yet identified any specific projects for Commission approval for strips 12 and 24 as part of Transmission Program 1.<sup>22</sup> Without specific projects to consider, the Commission cannot assess whether the statutory standard has been met by these out-of-state projects.
- The Company proposes to add a remote-control valve ("RCV") to Strip 15, Valve 13 as part of Transmission Program 2. Strip 15 begins in Maryland and travels to the District, and it is used to supply part of Maryland and the District.<sup>23</sup> Valve 13 is located upstream of existing RCVs that could be used to isolate Virginia.<sup>24</sup> Based on the foregoing, it does not appear that the addition of an RCV to Strip 15, Valve 13 meets the applicable statutory standard.
- As part of its replacement of manually operated block valves in Transmission Program 3, the Company proposes to replace Valve 3 on Strip 9. Strip 9 is an out-of-state pipeline for which supply can be directed towards Virginia. There are, however, numerous valves downstream of Valve 3 on Strip 9 that could be used to isolate Virginia.<sup>25</sup> Based on the foregoing, it does not appear that replacing Valve 3 on Strip 9 meets the applicable statutory standard.

Further in this regard, the Company's Transmission Program 4 involves the replacement of valve risers on high-pressure pipelines. The Company has identified a single valve riser over the life of the proposed Amended SAVE Plan, which valve riser is located in Virginia.<sup>26</sup> While Staff does not oppose the continuation of Transmission Program 4, it states that its analysis is exclusively directed toward valve risers in Virginia and recommends that the eligibility of valve risers outside of Virginia for inclusion in a SAVE Plan be considered on a case-by-case basis.<sup>27</sup> Accordingly, Staff recommends that the Commission require the Company to direct its SAVE spending toward Virginia valve risers.<sup>28</sup> We agree and so direct.

<sup>20</sup> We note further in this regard that both Maryland and the District of Columbia ("District") appear to have rejected inclusion of Virginia-sited transmission projects in their pipeline replacement programs that are analogous to WGL's SAVE Program. *In the matter of Washington Gas Light Company's Application for Approval of Project Pipes 2 Plan*, 2020 WL 7781676, Order (D.C. P.S.C. Dec. 11, 2020); *Washington Gas Light Company v. Maryland Public Service Commission*, 460 Md. 667 (Aug. 14, 2018).

<sup>21</sup> Indeed, Staff did not oppose, and the Commission approves, projects on Strips 14 and 15, which are located outside of Virginia, as part of Transmission Program 5, based on Staff's analysis of the reliability benefits thereof. Staff Report at 38.

<sup>22</sup> *Id.* at 1, 22-25. Staff explains that Transmission Program 1 targets high-pressure steel pipelines in the Commonwealth of Virginia, Maryland and the District. Staff Report at 12. The Company refers to high-pressure pipelines that supply gas to its distribution system as "strips." *Id.*

<sup>23</sup> *Id.* at 27-28.

<sup>24</sup> *Id.* at 30-31.

<sup>25</sup> *Id.* at 31-33.

<sup>26</sup> *Id.* at 33-34.

<sup>27</sup> *Id.* at 34.

<sup>28</sup> *Id.*

### Projects Qualifying as Replacements of Existing Infrastructure

#### *Strip 6*

Staff questions whether the Company's proposed Strip 6 project under Transmission Program 1 qualifies as a "replacement of storage, peak shaving, transmission or distribution facilities" under Code 56-603. Staff states that the addition of the Primus Line product on an existing pipeline is not a replacement because the existing parallel 12-inch lines will remain in service, with the Primus Line in place to prevent the escape of gas in the event a leak does develop.<sup>29</sup> In its comments to the Staff Report, WGL clarifies that the existing pipeline will not remain in service, stating that the liner does not require the existing pipe for support and that the existing two 12-inch diameter steel pipelines will be vented to the atmosphere.<sup>30</sup> WGL also asserts that the existing pipes will serve only as a pathway for the replacement pipe to follow.<sup>31</sup> Based on the facts and circumstances of this case, including the Company's representation that the existing pipe will not remain in service, the Commission finds that the Strip 6 project qualifies as a replacement project and is appropriate for inclusion in the WGL's Amended SAVE Plan; however, such determination is subject to the Company obtaining any necessary waivers from PHMSA and this Commission to use the Primus Line product<sup>32</sup> as well as compliance with all other applicable laws and regulations.

#### *Launchers and Receivers*

As part of its Application, the Company proposes the addition of Transmission Program 5 to the Company's Amended SAVE Plan. This new program would replace components of existing high-pressure pipelines to enable the use of ILI tools.<sup>33</sup> Program 5 is proposed to: (1) replace sections of pipelines currently unable to accommodate ILI tools, and (2) install launchers and receivers for ILI tools.<sup>34</sup> Staff notes that the replacement of existing components on Strips 2 and 4 to accommodate ILI inspection appears to: (1) enhance safety through the reduction of system integrity risks associated with corrosion and (2) enhance reliability through the reduction of system integrity risks associated with customer outages.<sup>35</sup> Staff, however, asserts that the installation of launcher and receiver equipment for ILI tools represents the addition of new pipeline facilities to an existing pipeline, explaining, "[t]hese stations are generally located above ground, involve longer runs of pipe, and involve new pipeline facilities where, before, there were none."<sup>36</sup> In response, WGL asserts that the information collected during the ILI is integral to the infrastructure replacement process and "[j]ust as the Commission previously approved the recovery of SAVE costs associated with improvements to risk models used in replacement planning, the Commission should approve the costs related to launchers and receivers as part of the ILI initiative . . . ."<sup>37</sup> Consistent with prior determinations, the Commission finds as a matter of fact that launchers and receivers are not appropriate for inclusion as part of the Company's Amended SAVE Plan.<sup>38</sup>

#### Spending Caps

The Commission approves the remaining portions of the Company's Application, including the request for approval of a five-year plan. In approving the Company's Amended SAVE Plan as modified by this Order, we approve a total five-year spending cap of \$877.6 million.<sup>39</sup> The Company may exceed the total approved expenditures of \$877.6 million by up to 5%.<sup>40</sup>

#### Cost Recovery

As we have previously, we emphasize herein that in denying SAVE Plan treatment for certain projects herein, we affect only the method of recovery of the prudently incurred costs of these and other projects that fall outside the SAVE Act. That is, WGL should pursue those projects that it determines are necessary for compliance with the Commission's minimum pipeline safety standards and the sound and safe operation of its facilities. WGL may seek appropriate recovery of its reasonable costs (including a reasonable return on capital) through base rates for such projects.<sup>41</sup>

<sup>29</sup> *Id.* at 18-20.

<sup>30</sup> WGL Comments at 31.

<sup>31</sup> *Id.*

<sup>32</sup> Staff Report at 20.

<sup>33</sup> *Id.* at 34-35.

<sup>34</sup> *Id.* at 35.

<sup>35</sup> *Id.* at 37.

<sup>36</sup> *Id.* at 37-38.

<sup>37</sup> WGL Comments at 29.

<sup>38</sup> The Commission previously concluded "that it is reasonable at this time to limit WGL's SAVE Plan to replacement of existing facilities in the same location, and that this finding is not prohibited by the SAVE Act." *Application of Washington Gas Light Company, For authority to amend its SAVE Plan pursuant to § 56-604 B of the Code of Virginia*, Case No. PUE-2015-00017, 2015 S.C.C. Ann. Rept. 282, 284, Order (June 5, 2015).

<sup>39</sup> The approved spending cap of \$877.6 million results from taking the Staff recommended cap amount of \$876.4 million from Schedule 2, pages 1 and 2 (from the five year plan section) of the Staff Report, and adding the \$1,229,899 associated with Strip 6 (Key Bridge Lining).

<sup>40</sup> We take note that the Company represented that annual expenditures will not exceed 125% of the amount approved for each year. WGL Comments at 33.

<sup>41</sup> We note in this regard that the Company has filed notice with the Commission that it expects to file a base rate case on or before July 1, 2022. *See Application of Washington Gas Light Company, For a Waiver of the Annual Informational Filing for the twelve-month period ended December 31, 2021*, Case No. PUR-2022-00054, Doc. Con. Cen. No. 220410207, Petition for Waiver and Notice of Rate Case Filing at 1 (Apr. 8, 2022).

While the Company does not request a change to its SAVE Rider in this proceeding, the cost recovery authorized herein will lead to a future increase in rates, all things being equal. In approving this request, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the applicable laws, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

- (1) The Application, as filed, is denied.
- (2) The Application is approved as set forth herein and subject to the requirements in this Order.
- (3) The Company shall continue to comply with the reporting requirements previously established regarding the Company's SAVE Plan investments and replacement activity.
- (4) This matter is dismissed.

**CASE NO. PUR-2021-00286  
MARCH 24, 2022**

APPLICATION OF  
DYNAMIC ENERGY, LLC

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On December 27, 2021, Dynamic Energy, LLC ("Dynamic" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia. The Company seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, the Company attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>1</sup>

On January 28, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before February 7, 2022, and to file proof of service on or before February 14, 2022. On February 15, 2022, the Company filed its proof of service and requested the Commission accept such proof out-of-time.<sup>2</sup> Dominion filed a notice of participation on February 15, 2022.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before February 21, 2022. No comments were filed.

The Procedural Order also directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before February 28, 2022. On February 28, 2022, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.<sup>3</sup> Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.<sup>4</sup>

NOW THE COMMISSION, upon consideration of this matter, finds that Dynamic's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) Dynamic is hereby granted license No. SS-18 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.
- (2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>1</sup> 20 VAC 5-340-10 *et seq.*

<sup>2</sup> The Commission notes that although Dynamic timely served a copy of the Procedural Order upon Dominion, the Company filed proof of service one day out-of-time. The Commission accepts the Company's proof of service.

<sup>3</sup> Report at 4-5.

<sup>4</sup> *Id.* at 5.



**CASE NO. PUR-2021-00287  
MARCH 3, 2022**

APPLICATION OF  
CLEANCHOICE ENERGY COMMUNITY, LLC

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On December 3, 2021, CleanChoice Energy Community, LLC ("CleanChoice" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia ("Code"). The Company seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, the Company attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>1</sup>

On December 20, 2021, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before January 7, 2022, and to file proof of service on or before January 14, 2022. On December 22, 2021, the Company filed its proof of service. Dominion filed a notice of participation on January 14, 2022.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before January 21, 2022. No comments were filed.

The Procedural Order also directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before February 11, 2022. On February 11, 2022, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.<sup>2</sup> Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.<sup>3</sup>

NOW THE COMMISSION, upon consideration of this matter, finds that CleanChoice's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) CleanChoice is hereby granted license No. SS-17 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.
- (2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>1</sup> 20 VAC 5-340-10 *et seq.*

<sup>2</sup> Report at 4-5.

<sup>3</sup> *Id.* at 5.

**CASE NO. PUR-2021-00288  
APRIL 13, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For authority to amend its natural gas conservation and ratemaking efficiency plan

**FINAL ORDER**

On December 17, 2021, pursuant to Chapter 25 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> and 5 VAC 5-20-80 of the Rules of Practice and Procedure ("Rules of Practice")<sup>2</sup> of the State Corporation Commission ("Commission"), Washington Gas Light Company ("WGL" or "Company") filed an application ("Application") for authority to amend and extend its natural gas conservation and ratemaking efficiency ("CARE") plan ("Amended CARE Plan").<sup>3</sup>

<sup>1</sup> Code § 56-600 *et seq.*

<sup>2</sup> 5 VAC 5-20-10 *et seq.*

<sup>3</sup> The Commission approved the Company's current CARE Plan in 2019. *See Application of Washington Gas Light Company, For approval of an amendment to its natural gas conservation and ratemaking efficiency plan*, Case No. PUR-2018-00193, 2019 S.C.C. Ann. Rept. 321, Final Order (Apr. 30, 2019).

The Company proposes to continue and expand its portfolio of programs for residential customers served under Rate Schedule Nos. 1 and 1A of the Company's tariff.<sup>4</sup> The Amended CARE Plan also includes new programs for residential customers and a new program for eligible Commercial and Industrial ("C&I") and Group Metered Apartment ("GMA") customers receiving service under Rate Schedule Nos. 2, 2A, 3 and 3A.<sup>5</sup> WGL also proposes to increase funding to provide energy saving measures to more income-qualified customers.<sup>6</sup>

The proposed Amended CARE Plan includes a portfolio of conservation and energy efficiency initiatives that consist of the following: (i) a new Residential Equipment Program; (ii) a new Residential New Construction Program; (iii) expansion of the previously approved web-based Home Energy Audit with Residential Energy Conservation Kits; (iv) expansion of the previously approved Income-Qualified Program (previously known as the Low-Income Weatherization Program); (v) expansion of the previously approved Residential Behavioral Program (now called the residential Home Energy Reporting Program); and (vi) a new Commercial Gas Equipment Incentives Program.<sup>7</sup>

The Company proposes a total budget of approximately \$12.1 million<sup>8</sup> for its Amended CARE Plan for a three-year period from May 1, 2022, to April 30, 2025.<sup>9</sup> The Company states that the incremental costs associated with the Amended CARE Plan's proposed conservation and energy efficiency programs will be recovered monthly through a CARE Cost Adjustment ("CCA") applied to customers' bills.<sup>10</sup> WGL also proposes to implement a decoupling mechanism, called the CARE Ratemaking Adjustment ("CRA").<sup>11</sup>

According to the Company, both the CCA and the CRA will be calculated and implemented using methodology previously approved by the Commission.<sup>12</sup> The Company explains that the CRA is a billing adjustment factor computed on a monthly basis that creates a credit or charge to the monthly distribution charge of firm customers and adjusts the monthly distribution charge to account for the difference between actual revenues received each month compared to a target revenue level.<sup>13</sup>

As for the CCA, based on the Company's proposed expenditures, the Company's projections for the CCA for Virginia customers in the first year of the Amended CARE Plan are as follows: (i) \$6.24 (an increase of \$3.70 from the CCA currently being paid) for a typical residential customer using 746 therms per year; (ii) \$19.94 for a typical small C&I heating customer using 5,720 therms per year; and (iii) \$59.27 for a typical small GMA heating customer using 17,005 therms per year.<sup>14</sup>

On January 13, 2022, the Commission issued an Order for Notice and Comment that, among other things, docketed the Company's Application; directed the Company to provide public notice of its Application; allowed interested persons to file comments and request a hearing on the Application; directed the Commission's Staff ("Staff") to investigate the Application and to file a report ("Staff Report" or "Report") containing the Staff's findings and recommendations; and allowed the Company to file a response to the Staff Report and any comments filed by interested persons.<sup>15</sup>

On February 4, 2022, the Company filed an errata filing which contained revised Exhibits JH-1 and JH-2 that corrected an error in the model template used for the cost benefit analysis.

On March 18, 2022, the Staff filed its Report on the Company's Application. Among other things, the Staff Report summarizes and examines the cost-effectiveness of the Company's proposed Amended CARE Plan.

In the Staff Report, Staff from the Division of Public Utility Regulation analyzed the general assumptions and structure of WGL's cost/benefit model as well as the individual modifications proposed in the Application. Staff did not oppose the cost/benefit model used by the Company.<sup>16</sup>

<sup>4</sup> Application at 2, 4; Direct Testimony of Josh McClelland at 3 and Exhibit JEM-1.

<sup>5</sup> Application at 2, 4; Direct Testimony of Josh McClelland at 3, 10, and Exhibit JEM-1.

<sup>6</sup> Application at 2; Direct Testimony of Josh McClelland at 12.

<sup>7</sup> Application at 3-4; Direct Testimony of Josh McClelland at 3-4. A description of each initiative may be found in the Direct Testimony of Jim Herndon at 5-11 and in the Direct Testimony of Josh McClelland at 6-10.

<sup>8</sup> Application at 2, 3; Direct Testimony of Josh McClelland at 10. The Company states that, of the total \$12,142,495 budget, approximately 54% is targeted for residential programs, and 9% for commercial programs, while 37% will be allocated for income-qualified programs. Application at 3; *see also* Direct Testimony of Josh McClelland at 12.

<sup>9</sup> Application at 2; Direct Testimony of Josh McClelland at 3.

<sup>10</sup> Application at 2; Direct Testimony of Josh McClelland at 6; Direct Testimony of R. Andrew Lawson at 2.

<sup>11</sup> Application at 2; Direct Testimony of Josh McClelland at 5; Direct Testimony of R. Andrew Lawson at 2-3.

<sup>12</sup> Application at 8. *See also* Direct Testimony of R. Andrew Lawson at 2.

<sup>13</sup> Application at 10-11; Direct Testimony of R. Andrew Lawson at 4.

<sup>14</sup> Application at 12; Direct Testimony of R. Andrew Lawson at Exhibit RAL-3.

<sup>15</sup> No comments, notices of participation, or requests for hearing were received.

<sup>16</sup> Staff Report at 16.

In analyzing the proposed programs, Staff relied on the data provided by the Application and supporting documentation.<sup>17</sup> Staff did not oppose continuing the Residential Home Energy Reporting Program,<sup>18</sup> the Residential Online Energy Audit and Energy Conservation Kit Program,<sup>19</sup> or the Residential Low-Income Program.<sup>20</sup> Staff did not oppose the newly proposed Residential New Construction Program.<sup>21</sup>

For the proposed Residential Gas Equipment Program, Staff found that the amended program appeared to mostly use Company- and Virginia-specific data to determine the estimated savings.<sup>22</sup> Staff noted that the Commission previously denied a similar program due to the Company's apparent use of estimates or assumptions to determine natural gas savings. Staff further noted that the program as a whole appears to be cost beneficial; however, four of the measures proposed by the Company do not pass at least three of the required tests.<sup>23</sup> Staff concluded that if the Commission believes that this adequately addresses the Commission's concerns related to sufficiency of evaluation, measurement and verification ("EM&V") data, then Staff does not oppose this program.<sup>24</sup>

Staff asserted that the Company had not provided evidence of increased interest in previously denied measures proposed in the Commercial Gas Equipment Program.<sup>25</sup> While Staff noted that the Company did use mostly Company-specific data, where it did not use such Company-specific data, Staff asserted that the Company did not provide sufficient reasoning as to why that data was not available.<sup>26</sup> For those reasons, Staff did not support the Commercial Gas Equipment Program.<sup>27</sup>

Also in the Staff Report, Staff from the Division of Utility Accounting and Finance summarized Staff's audit of the compliance and internal control aspects of the Company's current CARE Plan, and the Company's costs, recoveries, and deferral balances.

Generally, Staff noted no issues with the Company's compliance with internal controls for its CARE Plan programs and did not identify any costs that were contrary to Commission-approved programs.<sup>28</sup> Staff also noted no significant issues with administrative costs associated with rebate processing or with the portfolio level EM&V costs.

Staff found an issue with the support for certain CCA expenditures. Specifically, Staff found that the Company could not provide support for transactions totaling \$3,810 of Operational and Administrative Costs, and Staff recommended excluding that amount from the CCA deferral balance.<sup>29</sup>

Staff found one issue with the Company's CRA deferral balance.<sup>30</sup> Staff identified a residual \$34,644 over-collection balance for the CRA book balance associated with its C&I and GMA classes from programs that have expired.<sup>31</sup> To the extent the Commission authorizes a CRA mechanism for these classes, Staff recommends that this over-collection amount be rolled into the new CRA factor in order to return the over-collection to customers.<sup>32</sup> In the event the Commission does not authorize a CRA mechanism, Staff recommends that such amount be returned as a one-time refund.<sup>33</sup>

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<sup>17</sup> *Id.* at 15, 17.

<sup>18</sup> *Id.* at 19. WGL plans to expand the participants from 50,000 to 135,000.

<sup>19</sup> *Id.* at 20.

<sup>20</sup> *Id.* at 21. Staff found that more measured and verified evidence of energy savings could have been garnered to create a more accurate display of the achieved energy savings. However, because the program offers energy savings measures to low-income customers, Staff did not oppose to the continuation of this program.

<sup>21</sup> *Id.* at 25. Staff noted that the Direct Vent Gas Fireplace (New Construction) measure did not pass three of the four cost/benefit tests, but the program in its entirety did pass at least three of the cost/benefit tests.

<sup>22</sup> *Id.* at 24.

<sup>23</sup> *Id.* at 23. These measures that did not pass three of the four cost/benefits tests included the Direct Vent Gas Fireplace, Tier 1 Natural Gas Boiler, Tier 2 Natural Gas Boiler, and the Tier 2 Storage Water Heater.

<sup>24</sup> *Id.* at 24.

<sup>25</sup> *Id.* at 27-28.

<sup>26</sup> *Id.* at 29.

<sup>27</sup> *Id.*

<sup>28</sup> *See id.* at 51.

<sup>29</sup> *Id.* at 45.

<sup>30</sup> *Id.* at 48-50.

<sup>31</sup> *Id.* at 50.

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

Finally, Staff noted that the Company indicated that it has not conducted any internal audits at any time on its Virginia CARE Plan.<sup>34</sup> Staff recommends the Company perform an internal audit on its CARE programs to ensure appropriate revenues and expenses are adequately recovered per the Commission's orders.<sup>35</sup>

On April 1, 2022, the Company filed its Response to the Staff Report ("Response").

The Company states that it agrees with the Staff's support for the continuation of the proposed Residential Online Energy Audit and Energy Conservation Kit Program, the Residential Home Energy Reporting Program, and the implementation of the proposed Residential New Construction Program.<sup>36</sup> The Company further asserts that the Commission should approve the Residential Gas Equipment Program, which Staff does not oppose if the Commission finds the data used by the Company to estimate savings "adequately addresses the Commission's concerns related to the sufficiency of EM&V data."<sup>37</sup> The Company asserts that the data should be found to adequately address the Commission's concerns.

With regard to the proposed Commercial Gas Equipment Program, the Company asserts that it is cost effective and complies with the CARE Act.<sup>38</sup> The Company notes that despite the Staff not pointing to any aspect of the proposed Commercial Gas Equipment Program that does not comply with the CARE Act, the Staff did not support the program.

In response to Staff's recommendations regarding a reduced Phase 5 CARE Budget, the Company asserts that it is addressing historically low participation rates by deploying improved programmatic elements.<sup>39</sup> The Company further does not object to Staff's recommendations to remove \$3,810 of Operational and Administrative Costs; and to maintain invoices calculations and other relevant documentation in a retrievable format for Staff's future review.<sup>40</sup> The Company does not object to Staff's recommendation regarding the CRA for the C&I and GMA classes and any residual over-collection amount. The Company also agrees to perform an internal audit on its CARE Plan and associated billing mechanisms within the next 3 years.<sup>41</sup>

In concluding its Response, the Company urges the Commission to approve the proposed Amended CARE Plan for income qualified, residential, and eligible commercial customers; authorize the Company to continue implementing the CRA using the previously approved methodology; and implement a CCA that incorporates the proposed budget for approved programs.<sup>42</sup>

NOW THE COMMISSION, upon consideration of this matter and based on the record herein, is of the opinion and finds that the Company's Amended CARE Plan, should be approved subject to the requirements of this Order.

The 2018 Session of the Virginia General Assembly enacted legislation, which revised the definition of "Cost-effective conservation and energy efficiency program" in § 56-600 of the CARE Act to state, in part (emphases added):<sup>43</sup>

a program approved by the Commission that is . . . determined by the Commission to be cost-effective if the net present value of the benefits exceeds the net present value of the costs *as determined by not less than any three of the following four tests:* the Total Resource Cost Test, the Program Administrator Test (also referred to as the Utility Cost Test), the Participant Test, and the Ratepayer Impact Measure Test. Such a determination shall include an analysis of all four tests, and a program or portfolio of programs *shall be approved if the net present value of the benefits exceeds the net present value of the costs as determined by not less than any three of the four tests.*

As required by the CARE Act, in evaluating WGL's Application, we have considered the net present value ("NPV") of the benefits and the NPV of the costs under the four tests listed above.

Based on the record developed in this matter, the Commission approves the following as proposed in the Application: (i) a new Residential Equipment Program; (ii) a new Residential New Construction Program; (iii) expansion of the previously approved web-based Home Energy Audit with Residential Energy Conservation Kits; (iv) expansion of the previously approved Low-Income Weatherization Program (which is now referred to as the Income-Qualified Program); (v) expansion of the previously approved Residential Behavioral Program (now called Residential Home Energy Reporting Program); and (vi) a new Commercial Gas Equipment Incentives Program.

Consistent with its approval of the Commercial Gas Equipment Program, the Commission finds that the Company shall extend the CRA to include participating C&I and GMA customers. The Company shall include the residual \$34,644 over-collection amount into the new CRA factor in order to return this over-collection to customers.

<sup>34</sup> *Id.* at 48.

<sup>35</sup> *Id.*

<sup>36</sup> Response at 3.

<sup>37</sup> Staff Report at 1.

<sup>38</sup> Response at 6.

<sup>39</sup> *Id.* at 18.

<sup>40</sup> *Id.* at 18-19.

<sup>41</sup> *Id.* at 19.

<sup>42</sup> *Id.* at 20.

<sup>43</sup> Chapter 296 of the 2018 Acts of Assembly.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Commission finds that the Company shall exclude from its CCA deferral balance the amount of \$3,810 for transaction for which it could not provide support. We further direct the Company to maintain invoices, calculations, and any other relevant documentation in a retrievable format to be made available for Staff's review in future proceedings. The Commission further finds that the Company shall conduct an internal audit on its CARE programs within three years to ensure that revenues and expenses are properly accounted for and included in the CCA and CRA deferral balances.

Finally, we approve a total budget of \$12,142,485 for the three-year Phase 5 CARE Plan. In so approving, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the applicable laws, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application for approval to amend its CARE Plan is approved as set forth herein and shall be effective May 1, 2022, for a period of three (3) years.

(2) The Company forthwith shall file revised tariffs and terms and conditions of service with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(3) WGL shall continue to file annual reports that measure and verify the actual results of its CARE Plan as directed in the Final Order in Case No. PUR-2018-00193.

(4) This matter is dismissed.

**CASE NO. PUR-2021-00291  
JUNE 24, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Line #2011 Extension from Cannon Branch to Winters Branch

**FINAL ORDER**

On December 16, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities in the City of Manassas and Prince William County, Virginia (collectively, the "Manassas Airport Area"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Through its Application, Dominion proposes to complete the following, which is collectively referred to as the "Project":

- remove approximately 0.06 mile of the existing 230 kilovolt ("kV") Line #2011 termination between Cannon Branch Substation and Structure #2011/68;
- construct a new approximately 1.05-mile segment of 230 kV Line #2011 starting south of Cannon Branch Substation and terminating at Winters Branch Substation in a newly acquired, variable width right-of-way expansion, ranging in width from 50 to 120 feet, parallel and to the south and east of the existing, variable width right-of-way (ranging in width from 60 to 120 feet) containing 230 kV Lines #2195 and #2148 ("Line #2011 Extension"). Specifically, for the Line #2011 Extension, the Company proposes to extend a third 230 kV source to Winters Branch by extending existing Line #2011 (Clifton-Cannon Branch) to terminate at Winters Branch Substation, which would create new Line #2011 (Clifton-Winters Branch); and
- perform related work at (1) the Company's existing Cannon Branch Substation to support the line extension to Winters Branch Substation and (2) the Company's existing Winters Branch Substation to support the new line rating.<sup>1</sup>

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<sup>1</sup> Ex. 2 (Application) at 2.

The Company represents that the Project is necessary to maintain reliable service for the overall growth in the area and to comply with mandatory North American Electric Reliability Corporation ("NERC") Reliability Standards.<sup>2</sup> The Company further represents that the Company anticipates extensive growth in the Manassas Airport Area over the next 5 to 10 years as many large parcels in the area are currently owned or under contract by data center developers.<sup>3</sup> The Company states that it anticipates an excess of 300 megawatts ("MW") of total load in the Manassas Airport Area by 2023.<sup>4</sup> Dominion further states that the five substations in the Manassas Airport Area have been or will be energized to serve data center campuses in addition to City of Manassas Electric's Airport Delivery Point ("DP").<sup>5</sup> According to the Company, the proposed Project is necessary to meet load requirements and can serve future load growth in the Manassas Airport Area, which will in turn facilitate economic growth in the Commonwealth.<sup>6</sup>

In addition to the proposed Project, the Company states that it plans to convert the existing 115 kV Line #172 (Liberty-Lomar) and Line #197 (Cannon Branch-Dominion DP-Lomar DP) by extending a third 230 kV source between Liberty and Cannon Branch.<sup>7</sup> The Company refers to this undertaking as the "Conversion Project."<sup>8</sup> The Company asserts that, because there is no line work between the stations and DPs, and generally the stations and DPs are not located near each other (with one noted exception), the Company views the station/DP and line work at each discrete location as a separate project that is an "ordinary extension" or "improvement in the usual course of business" (or "ordinary course") under Code § 56-265.2 A 1.<sup>9</sup>

The Company states that the desired in-service date for the Project is December 29, 2023.<sup>10</sup> The Company represents that the estimated conceptual cost of the Project (in 2021 dollars) is approximately \$11.7 million, which includes approximately \$10.4 million for transmission-related work and approximately \$1.3 million for substation-related work.<sup>11</sup>

On January 20, 2022, the Commission issued an Order for Notice and Hearing which, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled public witness and evidentiary hearings; directed the Commission's Staff ("Staff") to investigate the Application and file its testimony and exhibits; and appointed a Hearing Examiner to conduct all further proceedings in this matter. No comments or notices of participation were filed.

On March 18, 2022, Staff filed testimony along with an attached report ("Staff Report") summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion has reasonably demonstrated the need for the Project.<sup>12</sup> Staff therefore did not oppose the issuance of the certificate of public convenience and necessity ("CPCN") requested in the Company's Application.<sup>13</sup>

Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review. On March 21, 2022, the Commission received the report filed by DEQ ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ's Office of Wetland and Stream Protection.<sup>14</sup> The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. According to the DEQ Report, the Company should:

1. Conduct an on-site delineation of all wetlands and stream crossings within the Project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams.
2. Follow DEQ's recommendations regarding air quality protection, as applicable.
3. Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable.
4. Coordinate with the Department of Conservation and Recreation's Division of Natural Heritage on its recommendations to protect listed species and coordinate on project updates.

<sup>2</sup> *Id.* at 2-3.

<sup>3</sup> *Id.* at 3.

<sup>4</sup> *Id.*; Ex. 2 (Appendix) at 17-18.

<sup>5</sup> Ex. 2 (Application) at 3; Ex. 2 (Appendix) at 3.

<sup>6</sup> Ex. 2 (Application) at 3.

<sup>7</sup> *Id.* at 2, n.1.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 3.

<sup>11</sup> *Id.* at 4.

<sup>12</sup> Ex. 11 (Joshipura Direct) at Staff Report, p. 15.

<sup>13</sup> *Id.* at Staff Report, pp. 15-16.

<sup>14</sup> Ex. 12 (DEQ Report).

5. Contact the Virginia Outdoors Foundation for additional review if the Project area changes or if this Project does not begin within 24 months.
6. Coordinate with the Virginia Department of Health, as necessary, regarding its recommendation to protect water supplies.
7. Follow the principles and practices of pollution prevention to the maximum extent practicable.
8. Limit the use of pesticides and herbicides to the extent practicable.<sup>15</sup>

On March 31, 2022, the Company filed rebuttal testimony. In its rebuttal testimony, Dominion supported the conclusion in the Staff Report and addressed a specific recommendation in the DEQ Report pertaining to environmental concerns.<sup>16</sup> Dominion requested that the Commission reject the recommendation in the DEQ Report that the Company consider development of an effective Environmental Management System ("EMS").<sup>17</sup> Dominion states that it already has a comprehensive EMS Manual in place "that ensures the Company is committed to complying with environmental laws and regulations, reducing risk, minimizing adverse environmental impacts, setting environmental goals, and achieving improvements in its environmental performance, consistent with the Company's core values."<sup>18</sup>

Due to the ongoing public health concerns related to the spread of COVID-19, a hearing for the receipt of testimony from public witnesses was scheduled to be held telephonically on April 12, 2022, but was subsequently canceled when no one signed up to testify as a public witness.<sup>19</sup> The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on April 13, 2022. The Company and Staff participated at the hearing.

On April 14, 2022, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was issued. In the Report, the Hearing Examiner found, based on applicable law and the record in this proceeding: (i) the proposed Project is needed to address projected load growth that results in a 300 MW load drop violation of Dominion's transmission planning criteria used to comply with mandatory federal reliability standards; (ii) existing rights-of-way cannot adequately serve the identified need; (iii) the Project would avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic districts, and environment of the area concerned; (iv) the unopposed recommendations in the DEQ Report should be adopted by the Commission as conditions of approval; (v) it is not necessary to direct Dominion to develop an EMS; (vi) the Project does not appear to adversely impact any goals established by the Virginia Environmental Justice Act ("VEJA"); and (vii) the Project would support economic development.<sup>20</sup> The Hearing Examiner recommended that the Commission enter an order that: adopts the findings in the Report; authorizes the Company to construct and operate the Project, subject to the findings and conditions recommended in the Report; issues appropriate CPCNs for the Project; and dismisses this case.<sup>21</sup>

On April 28, 2022, the Company filed its comments to the Report in which the Company stated that it supports the Report's findings and recommendations and requested that the Commission adopt the Report and approve the Application.<sup>22</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Project. The Commission finds that a CPCN authorizing the Project should be issued subject to certain findings and conditions contained herein.

#### Applicable Law

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides that "it shall be unlawful for any public utility to construct, enlarge, or acquire . . . facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the

<sup>15</sup> Ex. 12 (DEQ Report) at 6.

<sup>16</sup> Ex. 13 (Studebaker Rebuttal) at 2-3.

<sup>17</sup> *Id.* at 3; Ex. 12 (DEQ Report) at 19.

<sup>18</sup> Ex. 13 (Studebaker Rebuttal) at 4.

<sup>19</sup> Tr. 5.

<sup>20</sup> Report at 16-17.

<sup>21</sup> *Id.* at 17.

<sup>22</sup> Dominion Comments at 2.

proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned."

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

Dominion represents that the Project is necessary in order to maintain reliable service for the overall growth in the area and to comply with mandatory NERC Reliability Standards.<sup>23</sup> The Company further represents that the Project is needed to meet load requirements and can serve future load growth in the Manassas Airport Area, which will, in turn, facilitate economic growth in the Commonwealth.<sup>24</sup> Staff believes that the Conversion Project and the Project are both needed for NERC compliance and to serve the Manassas Airport Area in a manner consistent with the Company's Electric Transmission Planning Criteria.<sup>25</sup> Staff concluded that the Company has reasonably demonstrated the need for the Project.<sup>26</sup> Staff further concluded that the proposed Project avoids or minimizes impact on existing residences, scenic assets, historic resources, and the environment, and also that the Application does not appear to adversely impact any goal established by VEJA.<sup>27</sup> The Commission finds that the Company has reasonably demonstrated reliability needs justifying the Project to address projected load growth in the Manassas Airport Area.

#### Economic Development

The Commission has considered the effect of the Project on economic development in the Commonwealth and finds that the evidence in this case demonstrates that the Project will maintain transmission system reliability by accommodating projected data center load growth; therefore, the Project promotes economic development.<sup>28</sup>

#### Rights-of-Way and Routing

The Project will require a new ROW expansion, which will be parallel to an existing ROW.<sup>29</sup> Staff explains that, according to the Company, the existing ROW varies in width to avoid a portion of a building, and also because the alignment relative to the property line did not justify a consistent width.<sup>30</sup> The Company has represented that the new ROW has a variable width to match up with the existing ROW and create a standard, balanced width for the Project.<sup>31</sup> The Commission finds that Dominion has established that existing rights-of-way cannot adequately serve the needs of the Company.<sup>32</sup>

#### Impact on Scenic Assets and Historic Districts

The Commission finds that the route of the Project would avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources, and environment of the area concerned, as required by § 56-46.1 B of the Code.<sup>33</sup>

<sup>23</sup> See Ex. 2 (Application) at 2.

<sup>24</sup> *Id.* at 3.

<sup>25</sup> Ex. 11 (Joshipura Direct) at Staff Report, p. 8. Staff agreed, based on the information provided by the Company, that the Conversion Project can be considered an ordinary extension or improvement in the usual course of business; therefore, the Conversion Project does not require a CPCN. *Id.*

<sup>26</sup> See *id.* at Staff Report, p. 15.

<sup>27</sup> *Id.*

<sup>28</sup> See Ex. 2 (Application) at 3.

<sup>29</sup> *Id.* at 4.

<sup>30</sup> Ex. 11 (Joshipura Direct) at Staff Report, p. 10 (citing the Company's response to Staff Interrogatory No. 1-9).

<sup>31</sup> *Id.*

<sup>32</sup> See Report at 15. As described by the Hearing Examiner, the existing right-of-way between Cannon Branch and Winters Branch is only 60-feet wide at its narrowest and the existing structures have no room for an additional circuit. The Hearing Examiner further described that the existing right-of-way is bounded by a railroad to the north-northwest and Route 234 to the west-southwest. *Id.*

<sup>33</sup> See *id.*



### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Project. This finding is supported by the DEQ Report, as nothing therein suggests that the Project should not be constructed.

There are, however, recommendations included in the DEQ Report for the Commission's consideration. The Company opposed one such recommendation in its rebuttal testimony.

Dominion requested that the Commission reject the recommendation in the DEQ Report that the Company consider development of an effective EMS as unnecessarily duplicative.<sup>34</sup> Dominion states that it already has a comprehensive EMS Manual in place.<sup>35</sup> The Commission agrees with the Hearing Examiner that this recommendation is unnecessary and should not be adopted, consistent with recent Commission precedent.<sup>36</sup>

The Commission finds that Dominion shall be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Project.

### Environmental Justice

The VEJA sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fence-line communities."<sup>37</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>38</sup>

We agree with the Hearing Examiner that the Project does not appear to adversely impact the goals established by the VEJA, and that the record demonstrates that the environmental impact of the Project is minimal.<sup>39</sup> We direct Dominion to continue to engage environmental justice communities and others affected by the Project in a manner that allows them to meaningfully participate in the Project development and approval process.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-PRW-2022-A, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the City of Manassas and Prince William County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2021-00291, cancels Certificate No. ET-105af, issued to Virginia Electric and Power Company in Case No. PUR-2019-00128 on June 2, 2020.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for each Certificate Number that shows the routing of the transmission lines approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

<sup>34</sup> Ex. 13 (Studebaker Rebuttal) at 4.

<sup>35</sup> *Id.*

<sup>36</sup> Report at 15.

<sup>37</sup> Code § 2.2-235.

<sup>38</sup> Code § 2.2-234. *See also, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, Doc. Con. Cen. No. 210920108, Final Order at 14 (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 210440236, Final Order at 25 (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, Doc. Con. Cen. No. 210210007, Final Order at 14-15 (Feb. 1, 2021).

<sup>39</sup> Report at 16.

(6) The Project approved herein must be constructed and in service by December 29, 2023. No later than 90 days before the in-service date approved herein, for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension request.

(7) This matter is dismissed.

**CASE NO. PUR-2021-00292  
MARCH 18, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and BLUE OCEAN ENERGY MARINE, LLC

For approval of an affiliate agreement under Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On December 21, 2021, Virginia Electric and Power Company ("DEV" or the "Company") and Blue Ocean Energy Marine, LLC ("Blue Ocean")<sup>1</sup> (collectively "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") to request approval of an affiliate agreement under Chapter 4<sup>2</sup> of Title 56 of the Code of Virginia. Specifically, the Applicants request approval of a Charter Party affiliate agreement ("Charter Party") by which DEV will charter from Blue Ocean the use of the *Charybdis*, a first-generation United States ("U.S.") Jones Act<sup>3</sup> compliant wind turbine installation vessel ("WTIV"), which DEV will use to transport and install wind turbine generators ("WTG") for the Coastal Virginia Offshore Wind ("CVOW") Commercial Project ("CVOW Project"). Concurrent with the Application, the Applicants filed a Motion for Entry of a Protective Order and Additional Protective Treatment ("Motion") pursuant to Rules 110 and 170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*

DEV is developing the 2,587 megawatt CVOW Project, which will be located 27 statute miles (approximately 24 nautical miles) off the coast of Virginia Beach, Virginia.<sup>4</sup> DEV is currently seeking approval of the CVOW Project and Rider OSW in a case pending before the Commission.<sup>5</sup> According to the Application, each WTG will weigh approximately 650 tons, and each blade will be approximately 108 meters ("m") long and weigh approximately 55 tons.<sup>6</sup> The Company therefore requires a specialized ship, a WTIV, to transport and assemble the WTG towers, turbines, and blades onsite.

The *Charybdis* is being built by Keppel AmFELS ("Keppel") to support the construction of offshore wind farms along the coastal U.S. The *Charybdis*' hull will be 144m long, 56m wide, and have a hull depth of 11.5m.<sup>7</sup> The total projected construction cost of the *Charybdis* is \$510 million.<sup>8</sup>

The Application states that once completed, the *Charybdis* will be owned by BA Leasing BSC, LLC ("BA Leasing"), a subsidiary of Bank of America, pursuant to an affiliate financing arrangement between DEI and BA Leasing.<sup>9</sup> According to the Company, BA Leasing will lease the *Charybdis* back to Blue Ocean, and Blue Ocean will "bareboat charter" the *Charybdis* out to parties such as DEV that are building offshore wind farms.<sup>10</sup> DEV will be second charterer of the *Charybdis*. North East Offshore, LLC ("North East"), which will be constructing offshore wind projects off the shore of Connecticut, is the first charterer.<sup>11</sup>

<sup>1</sup> Blue Ocean is an indirect subsidiary of Dominion Energy, Inc. ("DEI").

<sup>2</sup> § 56-76 *et seq.*

<sup>3</sup> The Merchant Marine Act of 1920 (the "Jones Act"), 46 U.S.C. § 55102. As explained in the Application, the Jones Act prohibits transportation of passengers or merchandise between points in the U.S., including locations within the territorial sea on any vessel other than a "coastwise-qualified vessel" (*i.e.*, a vessel that is built in the U.S., owned by a U.S. citizen, and carries a U.S. flag and crew). In addition, the vessel must be at least 75% U.S. owned, have a U.S. President or CEO, a U.S. chairman of the board, and a majority of a quorum of the board must be U.S. citizens. Application at 5.

<sup>4</sup> Application at 4.

<sup>5</sup> See *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:1, § 56-46.1 et seq. and § 56-585.1:1 A 6 of the Code of Virginia*, Case No. PUR-2021-00142 (filed Nov. 5, 2021).

<sup>6</sup> Application at 4.

<sup>7</sup> See Applicants' Public Response to Staff DR 1-3(a) and Attachment 1-3(1), which are attached to Staff's action brief.

<sup>8</sup> See Applicants' Public Response to Staff DR 1-3(b), which is attached to Staff's action brief.

<sup>9</sup> Application at 6.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

Under the Charter Party, DEV will charter the *Charybdis* from Blue Ocean beginning in the third quarter of 2025.<sup>12</sup> The Charter Party for the Company's use of the vessel is approximately \$240 million for the initial term.<sup>13</sup> DEV will incur additional charges for other goods and services, including fuel, food, and accommodations, which will be priced at Blue Ocean's cost plus a reasonable return of no more than DEV's pretax weighted average cost of capital.<sup>14</sup>

DEV represents that it considered chartering a European WTIV but determined that "one may not be available, has a longer construction time, requires further vessel-travel distances, has more complex logistics, and has a higher risk of interruptions due to weather."<sup>15</sup> The Company also compared the Charter Party's cost (\$240 million) with Blue Ocean's cost (\$246 million) and a European WTIV's estimated cost (\$249 million).<sup>16</sup>

The Applicants assert that the proposed Charter Party is in the public interest because it furthers the Commonwealth of Virginia's energy policy, allows the Company to meet its obligations under the Virginia Clean Energy Act, establishes necessary infrastructure for continuing the development of offshore wind along the Virginia coast, provides certainty of costs, certainty of schedule, and protects customers from the risks of other WTIV options.<sup>17</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff ("Staff") through its action brief and having considered the Applicants' comments thereon, is of the opinion and finds that the Charter Party is in the public interest subject to certain requirements included in the Appendix attached to this order.

We take notice of two concerns raised by Staff. First, Staff asserts in its action brief that the timetables for constructing, testing, and chartering the *Charybdis* appear to be tight. Second, Staff expressed concern with the cost impact of possible delays between *Charybdis*' first charter with North East and its second charter with DEV. To protect the public interest, as recommended by Staff, we will direct the Applicants to keep the Commission apprised of: (1) the *Charybdis* construction timetable; (2) the North East Charter Party timetable; and (3) the DEV Charter Party timetable, through semi-annual notifications submitted to the Commission's UAF Director that report on (a) whether the construction and charters are on schedule; (b) any delays that have occurred; and (c) the effect, in time and dollars, that the delays may have on the DEV Charter Party and the CVOW Project.

Staff further recommends the Commission adopt a condition on approval herein requiring DEV Virginia jurisdictional customers to be "held harmless" for any delay in the delivery and mobilization of the *Charybdis* for the DEV Charter Party. DEV opposes this recommendation, stating:

The Company recognizes that it bears the burden of showing that the costs related to the Vessel are reasonable and prudent in the annual Rider OSW proceedings proposed in Case No. PUR-2021-00142. Respectfully, the Commission should therefore defer any decision regarding the reasonableness and prudence of DEV's costs related to the use of the Vessel to its annual review of costs in that proceeding, when the Company will actually seek recovery of such costs and the facts and circumstances surrounding those costs are known.<sup>18</sup>

We decline to adopt Staff's proposed hold harmless condition in this case, which is filed under the Affiliates Act. This determination, however, is without prejudice to Staff or any other party raising this issue again in any relevant proceeding. As we have previously explained, "[u]nder the Affiliates Act, the Commission either approves or rejects the 'structure' of these affiliate transactions. Any specific costs or obligations stemming from that affiliate structure are approved or rejected when the question becomes ripe in separate proceedings under separate statutes, such as setting rates or reviewing proposed generating facilities."<sup>19</sup>

Finally, the Commission finds that the Applicants' Motion is no longer necessary and therefore should be denied.<sup>20</sup>

Accordingly, IT IS ORDERED THAT:

- (1) The Charter Party is approved subject to the requirements listed in the Appendix attached hereto to this Order.
- (2) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential and extraordinarily sensitive information to which the Motion pertains under seal.
- (3) This case is dismissed.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 7.

<sup>14</sup> *Id.* at 9.

<sup>15</sup> *Id.* at 10.

<sup>16</sup> *Id.* at 9-10.

<sup>17</sup> *Id.* at 12-13.

<sup>18</sup> DEV Comments at 5-6.

<sup>19</sup> *Joint Application of Mecklenburg Electric Cooperative and Empower Broadband, Inc., For approval of a management services agreement and lease agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2018-00180, 2019 S.C.C. Ann. Rept. 304, 306, Final Order (Jan. 30, 2019) (citing *Commonwealth Gas Services, Inc. v. Reynolds Metals Co.*, 236 Va. 362, 368 (1988)).

<sup>20</sup> The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential and extraordinarily sensitive information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential and extraordinarily sensitive information to which the Motion pertains under seal.

## APPENDIX

1) The Applicants shall keep the Commission apprised of: (1) the Charybdis construction timetable; (2) the North East Charter Party timetable; and (3) the DEV Charter Party timetable, through semi-annual notifications submitted to the Commission's UAF Director that report on (a) whether the construction and charters are on schedule; (b) any delays that have occurred; and (c) the effect, in time and dollars, that the delays may have on the DEV Charter Party and the CVOW Project.

2) The Commission approves the Charter Party for its defined term and extensions.<sup>21</sup> If DEV wishes to charter the Charybdis beyond the defined term and extensions of the Charter Party, separate approval should be required.

3) The Commission's approval shall have no accounting or ratemaking implications.

4) The Commission's approval shall be limited to the specific activities and transactions described in the Charter Party. If DEV wishes to take part in activities or transactions not specifically identified and described in the Charter Party, separate approval shall be required.

5) Separate Commission approval shall be required for DEV take part in activities and transactions under the Charter Party that involve the engagement of any third-party Affiliates.

6) DEV shall be required to maintain records, available to Staff upon request, demonstrating that the charges it incurs under the Charter Party are cost beneficial to Virginia ratepayers. For all Charter Party charges incurred by DEV where a market may exist, DEV shall investigate whether comparable market prices are available and, if they exist, DEV shall compare the market price to cost and pay the lower of cost or market to Blue Ocean. Records of such investigations and comparisons shall be available to Staff upon request. DEV shall bear the burden of proving, in any rate proceeding, that all Charter Party charges paid for by DEV are priced at the lower of cost or market where a market for such charges exists.

7) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

8) Separate Commission approval shall be required for any changes in the terms and conditions of the Charter Party.

9) The Commission reserves the right to examine the books and records of DEV and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

10) DEV shall file a copy of the approved and executed Charter Party within 60 days after the effective date of the order granting approval in this case, subject to administrative extension by the UAF Director.

11) DEV shall include all transactions associated with the Charter Party in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:

- (a) List the case number in which the Charter Party was approved;
- (b) List DEV, the affiliate(s), and the charges incurred; and
- (c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Commission approved Charter Party charges by month, type of transaction, USOA account, and dollar amount (as the transactions are recorded in DEV's books).

<sup>21</sup> See Public Application at 7.

**CASE NO. PUR-2021-00293  
JANUARY 20, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For approval pursuant to Va. Code § 56-40 to implement the voluntary Curtailment Service Rider

**ORDER GRANTING INTERIM AUTHORITY AND  
FOR NOTICE AND COMMENT**

On December 15, 2021, Appalachian Power Company ("APCo" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") requesting approval, pursuant to § 56-40 of the Code of Virginia ("Code"), to implement a voluntary schedule for its customers, the energy Curtailment Service Rider ("Rider CS").<sup>1</sup> In support of its Petition, APCo states that Rider CS is designed to provide benefits to both participants that can curtail energy usage, and to non-participating customers, by reducing costs during times of high energy market prices.<sup>2</sup> APCo further states that Rider CS will be available to qualified standard service Large Power Service ("LPS") customers, and that those who choose to enroll will be notified by the Company of the option to curtail their energy usage when periods of high market energy prices occur.<sup>3</sup> APCo asserts that its customers will benefit from the participation of LPS customers in Rider CS because the Company will be able to avoid the purchase of energy to serve the curtailed load;

<sup>1</sup> Petition at 1.

<sup>2</sup> *Id.* at 2.

<sup>3</sup> *Id.*

that the result will be a net reduction in fuel and purchased power costs relative to what they would have been; and that all customers will benefit from the reduced pass-through energy supply costs, as the credits for voluntary reductions are less than the energy cost in the day-ahead market that is avoided by the curtailment.<sup>4</sup> Accordingly, APCo asks for Commission authority to implement its Rider CS pursuant to Code § 56-40, and to do so as soon as possible so that the Company and customers can obtain the benefits of Rider CS in the upcoming winter months.<sup>5</sup>

NOW THE COMMISSION, upon consideration of the Company's Petition and having been advised by the Staff of the Commission ("Staff"), is of the opinion and finds that pursuant to Code § 56-40, the Company should be granted authority on an interim basis to implement Rider CS. Such interim authority shall be effective with this Order and shall continue until otherwise ordered by the Commission. We further find that, pursuant to Code § 56-234 B, we will direct APCo to provide notice of its Petition; that interested persons should be afforded an opportunity to file comments on the Company's Petition, file notices of participation, or request a hearing on the Petition; and that Staff should investigate the Petition and file a Report containing its findings and recommendations.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.<sup>6</sup> Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2021-00293.
- (2) APCo is hereby granted authority, pursuant to Code § 56-40, to implement Rider CS on an interim basis. Such authority shall be effective immediately, and on an interim basis, pending further Order of the Commission.
- (3) The Company shall forthwith file revised tariffs and terms and conditions of service and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance as necessary to comply with the directives and findings set forth in this Order. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (4) All pleadings, briefs, or other documents required to be served in this matter shall 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").<sup>7</sup> 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.<sup>8</sup>
- (5) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the 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, all 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.
- (6) As provided by § 12.1-31 of the Code and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding.
- (7) On or before February 11, 2022, 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:

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 3.

<sup>6</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

<sup>7</sup> 5 VAC 5-20-10 *et seq.*

<sup>8</sup> As noted in the Commission's Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOTICE TO THE PUBLIC OF PETITION BY APPALACHIAN  
POWER COMPANY, FOR APPROVAL PURSUANT TO VA.  
CODE § 56-40 TO IMPLEMENT THE VOLUNTARY  
CURTAILMENT SERVICE RIDER  
CASE NO. PUR-2021-00293

On December 15, 2021, Appalachian Power Company ("APCo" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") requesting approval, pursuant to § 56-40 of the Code of Virginia ("Code"), to implement a voluntary schedule for its customers, the energy Curtailment Service Rider ("Rider CS"). In support of its Petition, APCo states that Rider CS is designed to provide benefits to both participants that can curtail energy usage, and to non-participating customers, by reducing costs during times of high energy market prices. APCo further states that Rider CS will be available to qualified standard service Large Power Service ("LPS") customers, and that those who choose to enroll will be notified by the Company of the option to curtail their energy usage when periods of high market energy prices occur. APCo asserts that its customers will benefit from the participation of LPS customers in Rider CS because the Company will be able to avoid the purchase of energy to serve the curtailed load; that the result will be a net reduction in fuel and purchased power costs relative to what they would have been; and that all customers will benefit from the reduced pass-through energy supply costs, as the credits for voluntary reductions are less than the energy cost in the day-ahead market that is avoided by the curtailment. Accordingly, APCo asks for Commission authority to implement its Rider CS pursuant to Code § 56-40, and to do so as soon as possible so that the Company and its customers can obtain the benefits of Rider CS in the upcoming winter months.

The details of APCo's proposal are set forth in the Company's Petition. Interested persons are encouraged to review the Petition and supporting exhibits for the details of the proposal.

The Commission entered an Order Granting Interim Authority and for Notice and Comment ("Order") that, among other things, directed the Company to provide notice to the public and provides interested persons an opportunity to comment on the Company's Petition.

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

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

An electronic copy of the Petition may be viewed on the Commission's website or obtained, at no charge, by submitting a written request to counsel for the Company Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, [njcoates@aep.com](mailto:njcoates@aep.com).

On or before April 1, 2022, any interested person may submit comments on the Petition by following the instructions on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](https://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-2021-00293.

On or before April 1, 2022, 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/](https://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-2021-00293. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order.

On or before March 1, 2022, any interested person or entity may file a request for hearing on the Company's Petition with the Clerk of the Commission at [scc.virginia.gov/clk/efiling/](https://scc.virginia.gov/clk/efiling/). Those unable, as a practical matter, to file a request for hearing electronically may file such request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Such requests for hearing shall refer to Case No. PUR-2021-00293, shall include the email address of the filer or its counsel if available, and 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.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

A copy of any notice of participation or request for hearing simultaneously shall be sent to counsel for the Company electronically at the email address set forth above.

The Company's Petition, the Commission's Rules of Practice, and the Commission's Order may be viewed at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

## APPALACHIAN POWER COMPANY

(8) On or before February 11, 2022, APCo shall serve a copy of its Petition and this Order Granting Interim Authority and for Notice and Comment on the following local officials, to the extent the position exists, in each county, city, and town in which APCo provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city or town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(9) On or before March 11, 2022, APCo shall file proof of the notice and service required by Ordering Paragraph (7) and (8), including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the Commission at: [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/).

(10) On or before April 1, 2022, any interested person may submit comments on the Petition by following the instructions on the Commission's website: [scc.virginia.gov/cascomments/Submit-Public-Comments](http://scc.virginia.gov/cascomments/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-2021-00293.

(11) On or before April 1, 2022, 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/](http://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 in Ordering Paragraph (10). 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 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-2021-00293.

(12) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of its Petition and this Order unless these materials already have been provided to the respondent.

(13) On or before March 1, 2022, any interested person or entity may file a request for a hearing on the Company's Petition with the Clerk of the Commission at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/). Those unable, as a practical matter, to file a request for hearing electronically may file such request for hearing by U.S. mail to the Clerk of the Commission at the address in Ordering Paragraph (10). Such request for hearing shall include the email addresses of the filer or its 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-2021-00293. The respondent simultaneously shall serve a copy of request for hearing on counsel to the Company.

(14) On or before March 10, 2022, APCo shall file with the Clerk of the Commission a response to any request for hearing filed in this docket and shall serve a copy of such filing on Staff and all respondents.

(15) On or before April 29, 2022, Staff shall investigate the Petition and file with the Clerk of the Commission, a Staff Report containing its findings and recommendations.

(16) On or before May 18, 2022, APCo shall file with the Clerk of the Commission any response in rebuttal to the Staff Report and any comments filed in this proceeding.

(17) All 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 Rules of Practice.

(18) The Company shall respond to written interrogatories or requests for the production of documents within five (5) business days after the receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, 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.<sup>9</sup> Except as so modified, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(19) This matter is continued.

<sup>9</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2021-00293, in the appropriate box.

**CASE NO. PUR-2021-00293  
JUNE 7, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For approval pursuant to Va. Code § 56-40 to implement the voluntary Curtailment Service Rider

**FINAL ORDER**

On December 15, 2021, Appalachian Power Company ("APCo" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") requesting approval, pursuant to § 56-40 of the Code of Virginia ("Code"), to implement a voluntary schedule for its customers, the energy Curtailment Service Rider ("Rider CS").<sup>1</sup> As proposed, Rider CS would provide qualified standard service Large Power Service customers an option to curtail their energy usage when periods of high market energy prices occur, in exchange for bill credits, and thereby allow APCo to avoid the purchase of energy to serve the curtailed load, which would result in a net reduction in fuel and purchased power costs.<sup>2</sup> Citing the potential benefits of Rider CS to all customers, APCo requested Commission authority to implement its Rider CS pursuant to Code § 56-40, so that it would be in effect during the winter months when APCo was, to a greater extent, exposed to price increases in the energy market.<sup>3</sup>

On January 20, 2022, the Commission issued an Order Granting Interim Authority and For Notice and Comment, finding that, pursuant to Code § 56-40, the Company should be granted interim authority to implement Rider CS. The Commission also found that, pursuant to Code § 56-234 B, APCo should be directed to provide notice to the public of this Petition; interested persons should be provided an opportunity to comment and request a hearing on the Company's Petition; and, the Staff of the Commission ("Staff") should be directed to further investigate the Company's Petition and file a Staff Report ("Report") containing its findings and recommendations.

No comments or requests for hearing were filed with the Commission on the Company's Petition.

On April 29, 2022, Staff filed its Report concluding that APCo's proposal has the potential to save both participating and non-participating customers money, and that it does not appear that non-participating customers will subsidize participating customers or that any other increases will result from the implementation of Rider CS.<sup>4</sup> As such, Staff did not oppose approval of Rider CS, and recommended that the Company be required to provide annual reports to Staff, summarizing the results of Rider CS.<sup>5</sup>

On May 16, 2022, APCo filed notice with the Commission that it would not be filing any rebuttal testimony.<sup>6</sup>

NOW THE COMMISSION, upon consideration of the record herein and of the applicable law, is of the opinion and finds that the interim authority granted to APCo to implement Rider CS should be made permanent. We further find that, in accordance with Staff's recommendations, APCo should be directed to provide annual reports to Staff, summarizing the results of Rider CS, and including the specified items in the Staff's Report.

Accordingly, IT IS ORDERED THAT:

- (1) The Petition is approved as set forth herein.
- (2) The Company shall comply with the reporting requirements established herein.
- (3) The Company shall forthwith file revised tariffs and terms and conditions of service and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance as necessary to comply with the directives and findings set forth in this Order. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (4) This matter is dismissed.

<sup>1</sup> Petition at 1.

<sup>2</sup> *Id.* at 2.

<sup>3</sup> *Id.* at 1-3.

<sup>4</sup> Report at 5.

<sup>5</sup> Specifically, Staff recommended that these reports by APCo include: (1) the total number of participants enrolled; (2) the total number of curtailments; (3) the number of participants per curtailment; (4) the estimated cost savings resulting from each curtailment; (5) estimates of energy purchases avoided (including a breakdown of benefits to participants versus non-participants); and (6) an estimate of the total avoided energy purchases by the Company due to curtailments. *Id.* at 5-6.

<sup>6</sup> APCo Letter Filing at 1.



**CASE NO. PUR-2021-00296  
FEBRUARY 23, 2022**

APPLICATION OF  
CHRISLYNN ENERGY SERVICES, INC.

For a license to conduct business as an aggregator of electricity and natural gas

**ORDER GRANTING LICENSE**

On December 17, 2021, Chrislynn Energy Services, Inc. ("Chrislynn" or "Company"), completed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider. Chrislynn seeks authority to provide electric and natural gas aggregation service to eligible commercial, industrial, and governmental customers throughout Virginia. In its Application, the Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On January 11, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon the utilities listed on Attachment A of the Procedural Order on or before January 20, 2022, and to file proof of service on or before January 26, 2022. On January 12, 2022, the Company filed its proof of service. Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") filed a notice of participation on January 31, 2022.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before February 2, 2022. On February 2, 2022, Dominion filed comments in the case.

The Procedural Order also directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report"). The Staff filed its Report on February 9, 2022, which summarized Chrislynn's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application and the comments received thereon, Staff recommended that Chrislynn be granted a license to conduct business as an electric and natural gas aggregator to eligible commercial, industrial, and governmental customers throughout Virginia. On February 11, 2022, Chrislynn filed its response to Staff's Report, supporting Staff's recommendations and requesting that the Commission grant the relief requested in its Application.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Chrislynn's Application for a license to provide competitive electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) Chrislynn is hereby granted license No. A-123 to provide electric and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout Virginia. This license to act as a competitive service provider is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.
- (2) This license is not valid authority for the provision of any product or service not identified within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

**CASE NO. PUR-2021-00297  
FEBRUARY 10, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION PRIVATIZATION SOUTH CAROLINA, LLC

For approval to enter into an Inventory Purchase and Sale Agreement under Chapter 4, Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On December 17, 2021, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV" or "Company") and Dominion Privatization South Carolina, LLC ("DPSC") (collectively, "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 4 of Title 56<sup>1</sup> of the Code of Virginia ("Code"), for approval of an Inventory Purchase and Sale Agreement ("Agreement"). The Agreement would establish a sharing program for spare parts, equipment, and materials ("Spare Parts") utilized by each of the Applicants in the operation of their generation fleets, with such Spare Parts to be exchanged on an as-needed basis.

DPSC is a South Carolina limited liability company formed for the purpose of owning, operating, and maintaining the electrical distribution system at the Fort Jackson Army base in Columbia, South Carolina.<sup>2</sup> DPSC is a subsidiary of Dominion Privatization Holdings, Inc., which is a direct, wholly owned subsidiary of Dominion Energy, Inc. ("DEI"). Because DEV is an operating subsidiary of DEI, the two companies meet the definition of affiliated interests under the Affiliates Act.

<sup>1</sup> Code § 56-76 *et seq.*

<sup>2</sup> Application at 2-3.

The Applicants represent that they are also required to file the Agreement with the North Carolina Utilities Commission, pursuant to N.C. Gen. Stat. § 62-153.<sup>3</sup> The Applicants further represent that the Agreement does not require approval in South Carolina.<sup>4</sup>

According to the Application, each of the Applicants maintains an inventory of Spare Parts for use in the ongoing operation and maintenance of their respective electric generation fleets. The Applicants represent that, at times, the Company or DPSC may lack a particular Spare Part needed for maintenance. Then, the Company or DPSC must order the necessary part "from a third-party supplier at prevailing market prices, which may involve long lead times that do not correspond with planned maintenance schedules."<sup>5</sup> Accordingly, the Applicants wish to have the ability to procure Spare Parts from each other, from time to time and on as as-needed basis, for the maintenance of their respective generation fleets.

Based on historical data and potential needs, the Company projects approximately \$50,000 in Spare Parts to be transferred each year from the Company to DPSC.<sup>6</sup> The Company represents that it does not anticipate any Spare Parts being transferred from DPSC to DEV; however, it requests this authority in case the need arises.<sup>7</sup>

The Applicants propose that, should DPSC sell a Spare Part to the Company, the purchase price would equal the lower of net book value or market price<sup>8</sup> on the date of the sale.<sup>9</sup> Should the Company sell a spare part to DPSC, the purchase price would equal the higher of net book value or market price on the date of the sale.<sup>10</sup> The Applicants represent that upon sale, the purchasing party would assume "all liabilities, costs, fees, expenses, and obligations for the purchased Spare Parts to the extent arising out of the ownership, maintenance, storage, operation, and use by the purchasing party."<sup>11</sup>

The Agreement would remain in effect for an initial five-year term, unless terminated early by either party. After the initial term, the Agreement would automatically renew for successive five-year terms, subject to the necessary Commission approvals.<sup>12</sup> For each sale of a Spare Part, the Applicants state that they would execute a Bill of Sale and Assignment Agreement.<sup>13</sup>

The Applicants represent that the Agreement is in the public interest because it would enhance operational reliability by allowing them to obtain Spare Parts on a timely basis. They emphasize that this flexibility is especially critical in the case of supply chain delays, equipment shortages, or emergencies. When the requesting party notifies the selling party of its desire to purchase a Spare Part, "the parties may, but are not required to, enter into a transaction for the sale and purchase of such Spare Parts."<sup>14</sup> Therefore, DEV would not be required to participate in any given purchase or sale. Additionally, either party could terminate the Agreement by providing 60 days written notice to the other party, so the Applicants represent DEV would not become involved in a long-term captive relationship.<sup>15</sup>

NOW THE COMMISSION, upon consideration of this matter, having been advised by its Staff through Staff's action brief, and having considered the Applicants' comments thereon, is of the opinion and finds that the proposed Agreement is in the public interest and should be approved, subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code § 56-77, the Agreement is approved subject to the requirements listed in the Appendix attached to this Order.
- (2) This case is dismissed.

<sup>3</sup> Application, Attachment A at 7.

<sup>4</sup> See Staff Action Brief at 3.

<sup>5</sup> Application at 3.

<sup>6</sup> See Response to Staff Data Request 1-2, which is attached to Staff's Action Brief filed concurrently with this Order.

<sup>7</sup> *Id.*

<sup>8</sup> The Applicants represent that they have a multi-step process to determine market price. See Response to Staff Data Request 1-4, which is attached to Staff's Action Brief filed concurrently with this Order.

<sup>9</sup> Application at 5.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> Application, Exhibit A to Attachment B.

<sup>14</sup> Application at 5.

<sup>15</sup> Application, Attachment A at 2-3.

## APPENDIX

- 1) The Commission's approval of the Agreement shall extend for five (5) years from the effective date of the order granting approval in this case. If the Applicants wish to extend the Agreement beyond that date, separate approval shall be required.
- 2) The Commission's approval shall have no accounting or ratemaking implications.
- 3) The Commission's approval shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.*, hereafter.
- 4) Separate Commission approval shall be required for any changes in the terms and conditions of the Agreement.
- 5) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by the Commission.
- 6) The Commission's approval shall be limited to the categories of Spare Parts identified in the Agreement. Should the Company wish to obtain or provide additional goods or services to its affiliates under the Agreement, separate Commission approval shall be required.
- 7) Separate Affiliates Act approval shall be required for the Company to obtain or provide goods or services from its affiliates through the engagement of affiliated third parties under the Agreement.
- 8) When DEV purchases a Spare Part from DPSC, the purchase price for such Spare Part shall be equal to the lower of net book value or market price on the date of the sale. When DPSC purchases a Spare Part from DEV, the purchase price for such Spare Part shall be equal to the higher of net book value or market price on the date of the sale.
- 9) The Company shall file with the Commission a signed and executed copy of the Agreement approved in this case within thirty (30) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").
- 10) The Company shall include all transactions associated with the Agreement in its Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The Company's ARAT reporting shall:
- a. List the most recent case number under which the Agreement was approved;
  - b. List the Spare Part(s) exchanged, the selling party, and the purchasing party; and
  - c. Include a schedule in Excel electronic spreadsheet format with formulas intact, listing the prior year's transactions by month, type of transaction, FERC account, and dollar amount, as the transactions are recorded on the Company's books.

**CASE NO. PUR-2021-00298  
NOVEMBER 22, 2022**

APPLICATION OF  
VIRGINIA NATURAL GAS, INC.

For approval of a new rate schedule and tariff, designated Schedule 17, Renewable Natural Gas Receipt Service; implementation of a Renewable Natural Gas Pilot Program; and approval to modify Terms and Conditions, pursuant to § 56-234 of the Code of Virginia

**FINAL ORDER**

On December 21, 2021, Virginia Natural Gas ("VNG" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to §§ 56-234 A and B of the Code of Virginia ("Code"), for "approval of its comprehensive program to promote sustainable natural gas development and production throughout the Commonwealth of Virginia" ("Sustainable Gas Program").<sup>1</sup> In addition, the Company stated that it is proposing the Sustainable Gas Program in furtherance of greenhouse gas reduction goals that Southern Company, VNG's parent company, has set across all of its electric and gas operations.<sup>2</sup>

VNG states that the Sustainable Gas Program consists of three components: (i) a new rate schedule and tariff designated Rate Schedule 17, Renewable Natural Gas Receipt Service ("Schedule 17" or "RNG Schedule"), designed to allow renewable natural gas ("RNG") suppliers to interconnect production facilities with the Company's pipeline system, pursuant to Code § 56-234 A; (ii) a five-year RNG pilot offering under Code § 56-234 B that will provide an interconnection allowance to be applicable to the capital costs necessary for interconnection ("RNG Interconnection Allowance Pilot" or "Pilot"); and (iii) a modification to Section XX of VNG's Terms and Conditions to facilitate use of RNG and next generation natural gas ("NextGen Gas") for use in the Company's gas supply portfolio.<sup>3</sup>

<sup>1</sup> Ex. 2 (Application) at 1.

<sup>2</sup> *Id.* at 3.

<sup>3</sup> *Id.* at 1-2.

On January 27, 2022, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled public witness and evidentiary hearings on the Application; required VNG to publish notice of its Application; gave interested persons the opportunity to file written comments or participate in this proceeding as a respondent; and appointed a Hearing Examiner to conduct further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by Insightfuel, LLC ("Insightfuel") and Ingenco Wholesale Power, LLC ("INGENCO").<sup>4</sup> Insightfuel and INGENCO each filed the testimony of one witness on April 29, 2022. Commission Staff ("Staff") filed the testimony of three witnesses on May 12, 2022. On May 25, 2022, VNG filed rebuttal testimony.

The hearing scheduled for June 9, 2022, to receive the testimony of public witnesses was cancelled when no public witnesses signed up to testify.<sup>5</sup> The evidentiary hearing was convened on June 9, 2022. The Company, Insightfuel, INGENCO, and Staff participated at the hearing.

On August 30, 2022, the Report of Mary Beth Adams, Hearing Examiner ("Report") was filed. In the Report, the Hearing Examiner made the following findings and recommendations:<sup>6</sup>

- (1) I do not recommend approval of the Pilot, as proposed.
- (2) The Interconnection-Only Option would enable the Company to acquire information which is or may be in furtherance of the public interest. Therefore, I recommend approval of the Interconnection-Only Option.
- (3) The Interconnection Allowance cost associated with the Pilot is reasonable. If fully utilized, the rate impact for non-participating customers would be approximately \$0.43 per month.
- (4) Consistent with Commission precedent, should the Pilot and Schedule 17 be approved, the Company should be directed to hold harmless non-participating customers, as discussed herein.
- (5) Staff's recommendation regarding siloxane standards is reasonable. I recommend that the Company be directed to monitor research, industry trends, and advances in testing technology regarding the concentration of siloxane in natural gas and approach the Commission to re-visit the parameters for siloxane in RNG should there be a promulgation of a technical standard from a group like ASTM<sup>7</sup> International or new regulations in the Commission's Standards<sup>8</sup> regarding acceptable limits of siloxane in natural gas that deviates from the currently proposed parameter of 0.5 mg Si/m<sup>3</sup>.
- (6) The Commission should direct the Company to ensure that any RNG connections to its pipeline system are subject to reasonable gas quality monitoring that facilitates a prompt reaction to gas that fails to meet the Company's RNG quality parameters to ensure that the Company's pipeline systems are protected.
- (7) The Commission should direct the Company to ensure that any and all points on its pipeline systems through which RNG could enter are protected by equipment designed, operated, and maintained to prevent accidental over pressuring in a manner that complies with any and all applicable regulations in the Commission's Standards.
- (8) The Company should be required to own, operate, and maintain any and all equipment required to odorize RNG in accordance with the Commission's Standards.
- (9) The Commission should require the Company to own, operate, and maintain any and all valves required to promptly isolate each RNG producer from the Company's pipeline system at interconnection points.
- (10) The Company should be directed to report to the Division of Utility and Railroad Safety, as soon as practicable, any and all instances in which RNG that fails to meet the RNG quality standard advances past the interconnection point and into the Company's pipeline systems. Such reporting should include: (1) the estimated duration of time that such RNG entered the Company's system; (2) the estimated volume of RNG that entered the Company's system; (3) the specific parameter or parameters within the standard that the RNG failed to meet; and (4) the Company's action plan for: (i) reacting to this RNG to ensure pipeline safety; and (ii) preventing a future recurrence of the issue or issues that caused the RNG to enter the Company's systems. Any and all such reports should be made as soon as practicable following detection. This reporting requirement should continue for as long as the Company allows RNG to enter its pipeline system.
- (11) The Company should be directed to report, as soon as practicable, any and all instances in which RNG is determined to be the cause of either: (1) a pipeline integrity issue; or (2) a problem with customer gas-consuming equipment. Any and all such reports should be made as soon as practicable following detection. This reporting requirement should continue for as long as the Company allows RNG to enter its pipeline system.

<sup>4</sup> INGENCO filed a Motion for Leave to Participate on April 21, 2022. The Hearing Examiner granted the motion on April 26, 2022.

<sup>5</sup> Tr. at 10. The Commission received three written public comments.

<sup>6</sup> Report at 45-48.

<sup>7</sup> ASTM stands for American Society for Testing and Materials.

<sup>8</sup> "Commission's Standards" refers to the Minimum Federal Pipeline Safety Standards, as adopted by the Commission.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(12) The Company should be directed to develop a mechanism for tracking: (1) pipeline failures; (2) pipeline integrity issues; and (3) operational performance issues (e.g. increase in sticking valves, the rebuilding of regulators, etc.) that are attributed to gas quality issues and incorporate the data gleaned from these mechanisms into its distribution and transmission integrity management programs, as applicable.

(13) The Commission should direct the Company to establish and maintain liaison with each RNG producer to understand that operator's operations, maintenance, and emergency response capabilities. The Company should not be required to create a separate position for this role, unless it finds such position is necessary to fulfill this requirement.

(14) Section 17.12 regarding electronic bulletin boards should not be deleted from the Interconnection Agreement.

(15) Should the Commission adopt the Interconnection-Only Option, costs related to the Pilot should be excluded from the administrative fee charged to Schedule 17 customers who do not participate in the Pilot.

(16) The Company should be directed to track and record actual operations and maintenance expense, administrative expense, depreciation expense, accumulated deferred income tax, rate base and all other costs associated with each RNG facility enrolled in Schedule 17.

(17) The Company should be directed to incorporate in its next depreciation study a depreciation rate analysis of any RNG interconnection investment made by the Company.

(18) The language in Section 2.2.2 of the Interconnection Agreement should be revised to include the text in bold below:

In connection with its review and approval, the Company may, **regarding its reasonable concerns related to safety and gas quality**, specify manufacturer, type, model, etc. of equipment to be installed as part of the Renewable Gas Production Facilities....

(19) Section 21 of the Interconnection Agreement should be revised to include the language in bold below:

Notwithstanding the foregoing, **in response to a request from the Virginia State Corporation Commission**, the Company is permitted to disclose to the Virginia State Corporation Commission, without prior notice to or the consent of Renewable Producer, the contents of this Agreement, Contracted Volumes, data from Exhibit K reports and other data if related or regarding Company's Schedule 17....

(20) Questions 7, 8, and 9 should be stricken from Exhibit K; however, the information sought in those questions should be provided under seal to Staff, upon request. I further find that Questions 4, 5, 6, and 10 should be stricken from Exhibit K. With respect to Question 10, however, the Company should not be precluded from seeking information confirming that any environmental attributes ("EAs") it obtains from an RNG producer through the Pilot are free and clear of any other incentive- or tax credit related-conflict.

(21) Section XX of the Company's Terms and Conditions should be modified to include RNG and NextGen Gas in its definitions.

(22) I recommend a cap be placed on the Company's purchase of NextGen Gas and RNG in the amount of 5% of the total annual projected comparable gas costs that would have been included in the Purchased Gas Adjustment ("PGA") component of the Quarterly Billing Adjustment ("QBA") had the NextGen Gas and RNG Gas purchases not been made.

(23) The Company should be directed to work with Staff to determine the specific information that it will file regarding NextGen Gas and RNG purchases.

The Hearing Examiner recommended the Commission issue an order: adopting the findings and recommendations of the Report; denying the Pilot as proposed by the Company; implementing the Interconnection-Only Option; establishing Schedule 17, as modified herein; approving the Interconnection Agreement as modified herein; modifying Section XX of the Company's Terms and Conditions to facilitate inclusion of NextGen Gas and RNG in the Company's gas supply as proposed; establishing a cap in the amount of 5% of the total annual projected comparable gas costs that would have been included in the PGA component of the QBA had the NextGen Gas and RNG Gas purchases not been made; and dismissing the case.<sup>9</sup>

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<sup>9</sup> *Id.* at 48.

On September 20, 2022, VNG, Insightfuel, INGENCO, and Staff each filed comments on the Report. In its comments, VNG states that as recommended by the Hearing Examiner, RNG developers would have "the opportunity to either (i) participate in the Company's Pilot program by obtaining an interconnection allowance in exchange for a certain level of [EAs] to be generated by the facility, or (ii) utilize an 'interconnection-only option' whereby they could interconnect to the system under Schedule 17 without availing themselves of the interconnection allowance and the associated requirement to convey a level of [EAs] to be retired on behalf of Virginia customers."<sup>10</sup> VNG states that it is not opposed to approval of the Pilot on these terms.<sup>11</sup> VNG requests the Commission approve the Sustainable Gas Program, including: (i) a five-year RNG Interconnection Allowance Pilot;<sup>12</sup> (ii) Rate Schedule 17, Renewable Natural Gas Receipt Service;<sup>13</sup> (iii) modifying Section XX of VNG's Terms and Conditions to facilitate inclusion of RNG and NextGen Gas in the Company's gas supply as contemplated herein;<sup>14</sup> and (iv) granting such further relief as may be necessary or appropriate.<sup>15</sup>

INGENCO's comments: (i) recommend the Commission deny the Pilot as proposed by the Company, and instead implement the Pilot incorporating INGENCO's proposed interconnection-only option as recommended by the Report;<sup>16</sup> (ii) recommend the Commission adopt Schedule 17 and the Interconnection Agreement as modified by the Report;<sup>17</sup> (iii) support the Report's nine safety recommendations offered by Staff;<sup>18</sup> (iv) support that Section 17.12 of the Interconnection Agreement should remain in the Agreement;<sup>19</sup> (v) argue that, should the Commission add the interconnection-only option as a component of the Pilot, costs related to the Pilot should be excluded from the administrative fee charged to RNG producers who do not participate in the Pilot;<sup>20</sup> (vi) support the Report's recommendation that Section 2.2.2 of the Interconnection Agreement should be modified so that VNG's review and approval of the design of an RNG production facility be limited to design parameters that impact safe interconnection to the system;<sup>21</sup> (vii) support Section 21 of the Interconnection Agreement be amended to the text found on page 40 of the Report;<sup>22</sup> and, (viii) support the Report's findings and recommendations regarding Questions 4 through 10 in Exhibit K of the Interconnection Agreement.<sup>23</sup>

Insightfuel's comments request that the Commission adopt the findings and recommendations of the Report for the reasons set forth in the comments filed by INGENCO.<sup>24</sup>

Staff filed limited comments noting that in her Report, the Hearing Examiner discussed Schedule 17 as well as her recommended adoption of some of INGENCO's proposed changes to this Schedule.<sup>25</sup> As noted by Staff, the Hearing Examiner further stated, "[i]n so finding, I recommend approval of INGENCO's proposed changes to Schedule 17 and the Interconnection Agreement *specifically addressed in this Report*."<sup>26</sup> Staff states that this qualification is important because of the agreement reached between Staff and INGENCO, in which INGENCO withdrew its objections to and proposed redlines of the Company's Schedule 17 and Interconnection Agreement gas quality and monitoring requirements.<sup>27</sup> Accordingly, Staff supported the Hearing Examiner's Report and requested the Commission's adoption of the Report and recommendations referenced therein.<sup>28</sup>

NOW THE COMMISSION, upon consideration of this matter, adopts the reasoning, findings and recommendations set forth in the Hearing Examiner's Report.<sup>29</sup> In so adopting, we note that no participant opposed the findings and recommendations of the Report.

<sup>10</sup> VNG Comments on the Report at 3.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 3, 10.

<sup>13</sup> *Id.* at 8, 10.

<sup>14</sup> *Id.* at 8-9, 10.

<sup>15</sup> *Id.* at 10.

<sup>16</sup> INGENCO Comments to the Report at 5.

<sup>17</sup> *Id.* at 11.

<sup>18</sup> *Id.* at 12.

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *Id.* at 13.

<sup>22</sup> *Id.* at 14.

<sup>23</sup> *Id.*

<sup>24</sup> Insightfuel Comments to the Report at 1.

<sup>25</sup> Staff's Comments at 2; Report at 28-29.

<sup>26</sup> Staff's Comments at 2; Report at 29, FN 241 (emphasis added).

<sup>27</sup> Staff's Comments at 1.

<sup>28</sup> *Id.* at 2.

<sup>29</sup> In so doing, we have considered and weighed all of the evidence.

In particular, we note our agreement with the Hearing Examiner that "[t]here is substantial evidence in this record from INGENCO and Insightfuel – the only two RNG producers who participated in this proceeding – that the mandatory participation requirement of the Pilot would likely hinder RNG development in the Commonwealth."<sup>30</sup> On the other hand, "a framework whereby RNG producers would be able to interconnect their facilities to VNG's system and have the option to either utilize the financing mechanism the Pilot provides or obtain their own financing and offer all of the EAs produced at their facilities into the RNG market, could provide valuable information for the Company."<sup>31</sup> We agree with the Hearing Examiner's finding that inclusion of an interconnection-only option in VNG's Pilot is "necessary for the Company to acquire information which is or may be in furtherance of the public interest."<sup>32</sup>

The Commission further finds that, in approving VNG's Pilot with the requirement that the Company offer both an interconnection-only option and the option to interconnect with an investment allowance, we do so for a period of five years, which shall commence from the date the first interconnection is made under this Program, regardless of whether the interconnection was accomplished via the interconnection-only option or the interconnection investment allowance option.<sup>33</sup> Should the Company wish to extend the Pilot, it must seek additional Commission approval. Additionally, and in furtherance of the public interest, we find that the Company shall file a final report on the results of VNG's Pilot within six months of its conclusion.

The Commission further finds that for the investment allowance interconnection option, we are approving the proposed level of investment allowance proffered by the Company of up to \$2 million per project; \$4 million combined total annually; and \$20 million combined total over the five-year term.<sup>34</sup> We agree that costs related to the Interconnection Allowance should be excluded from the administrative fee charged to Schedule 17 customers who do not participate in the investment allowance aspect of the Pilot.<sup>35</sup> Additionally, the Company shall ensure that non-participating ratepayers will be held harmless from Pilot-related costs, including the Interconnection Allowance and Facilities Fees, should an RNG project default or fail.

We further agree that Schedule 17 should be approved, with INGENCO's proposed changes that were specifically addressed in the Hearing Examiner's Report.<sup>36</sup> We further agree that the proposed modifications to Section XX of VNG's Terms and Conditions should be approved to include NextGen Gas and RNG,<sup>37</sup> and the incremental cost cap of those purchases shall be set at 5% of the total annual projected comparable gas cost that would have been included in the Company's Purchased Gas Adjustment component of its Quarterly Billing Adjustment, had those purchases not been made.<sup>38</sup>

Finally, in approving this modified version of VNG's Sustainable Gas Program, we do so with our express approval of the Hearing Examiner's recommendations regarding natural gas safety and pipeline quality,<sup>39</sup> which were unopposed by VNG.<sup>40</sup>

Accordingly, IT IS ORDERED THAT:

- (1) The reasoning, findings, and recommendations set forth in the Hearing Examiner's Report are hereby adopted as provided herein.
- (2) VNG's Pilot, as proposed in the Application, is denied.
- (3) VNG's Pilot, with the addition of an interconnection-only option, is approved as provided herein, for a period of five (5) years, which shall commence from the date the first interconnection is made under the Pilot, regardless of whether the interconnection was accomplished via the interconnection-only option or the interconnection investment allowance option.
- (4) Should VNG wish to extend its Pilot beyond five years, it must seek additional Commission approval.
- (5) The Company shall file a final report on the results of the Pilot within six (6) months of its conclusion.
- (6) Schedule 17 is approved as modified herein.

<sup>30</sup> Report at 25.

<sup>31</sup> *Id.* at 26.

<sup>32</sup> *Id.* (quoting Code § 56-234 B).

<sup>33</sup> Staff's Brief at 12 ("Staff is not opposed to the Company's proposed Schedule 17, nor the Company's proposal to synchronize the start date of the Pilot Program with the first Interconnection Agreement."); VNG's Brief at 9 ("No party in this proceeding opposed the proposed five-year term for the Pilot or the Company's recommendation to begin the Pilot with the commencement of the first RNG supplier interconnection under the program.").

<sup>34</sup> Report at 28; Ex. 2 (Application) at 6-7.

<sup>35</sup> Report at 37; VNG Comments at 6.

<sup>36</sup> Report at 29, *see also* FN 241. For clarity, we agree that "will" should change to "may" in section III.C. to denote optional interconnection allowance Pilot participation (VNG Comments at 7).

<sup>37</sup> Report at 44.

<sup>38</sup> *Id.* at 45.

<sup>39</sup> *Id.* at 30-36.

<sup>40</sup> *Id.* at 30; VNG Comments at 6. Our approval of Schedule 17, with INGENCO's proposed changes that were specifically addressed in the Hearing Examiner's Report, expressly excludes the gas quality and safety edits initially proposed by INGENCO's direct testimony given Respondents' unequivocal withdrawal thereof at the hearing. Tr. at 123-125, Lines 4-9. *See also*, Staff's Comments at 1-2, Staff's Brief at 13, Insightfuel's Brief at 4 and INGENCO's Brief at 8.

(7) Section XX of VNG's Terms and Conditions to facilitate inclusion of NextGen Gas and RNG in the Company's gas supply is approved as proposed, and the incremental cost cap of those purchases shall be set at 5% of the total annual projected comparable gas cost that would have been included in the Company's Purchased Gas Adjustment component of its Quarterly Billing Adjustment, had those purchases not been made.

(8) The Hearing Examiner's recommendations regarding natural gas safety and pipeline quality are approved.

(9) VNG forthwith shall file revised tariffs with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(10) This case is dismissed.

**CASE NO. PUR-2021-00300  
FEBRUARY 28, 2022**

APPLICATION OF  
SUSAN K. MENOZZI

For a license to conduct business as a competitive service provider

**ORDER GRANTING LICENSE**

On December 30, 2021, Susan K. Menozzi ("Menozzi" or "Applicant") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider. Menozzi seeks authority to provide electricity and natural gas aggregation services to eligible commercial and industrial customers throughout Virginia. In the Application, the Applicant attested that she would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").<sup>1</sup>

On January 12, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Applicant to serve a copy of the Procedural Order electronically upon the utilities listed on Attachment A to the Procedural Order on or before January 21, 2022, and to file proof of service on or before January 27, 2022. On January 20, 2022, the Applicant filed proof of service. The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before February 3, 2022. No comments were filed.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before February 10, 2022. The Staff filed its Report on February 10, 2022, which summarized the Application and evaluated Menozzi's financial and technical fitness. Based on its review of the Application, Staff submits that Menozzi meets the technical fitness requirements for licensure.<sup>2</sup> Regarding financial fitness, however, Staff recommended that the Commission require Menozzi to maintain financial security payable to the Commission in the amount of \$10,000 as a condition for licensure.<sup>3</sup> In this regard, Staff states that to support the financial fitness review, Menozzi has provided a \$10,000 surety bond to demonstrate her financial responsibility.<sup>4</sup> Staff further recommended that the Commission approve Menozzi's Application for a license to act as an aggregator for electricity and natural gas services to eligible commercial and industrial customers throughout Virginia, subject to maintaining such financial security.<sup>5</sup>

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Menozzi's Application for a license to provide competitive electricity and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Menozzi is hereby granted license No. A-124 to provide electricity and natural gas aggregation services to eligible commercial and industrial customers throughout Virginia. This license to act as a competitive service provider is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) Menozzi shall maintain financial security payable to the Commission in the amount of \$10,000 as a condition of licensure.

(3) This license is not valid authority for the provision of any product or service not identified within the license itself.

(4) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>1</sup> 20 VAC 5-312-10 *et seq.*

<sup>2</sup> Report at 6.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 5.

<sup>5</sup> *Id.* at 6.



**CASE NO. PUR-2021-00301  
APRIL 27, 2022**

APPLICATION OF  
COLUMBIA GAS OF VIRGINIA, INC.

For approval of a proposal to establish an economic development program to acquire utility rights-of-way for qualified economic development sites pursuant to § 56-235.12 of the Code of Virginia

**FINAL ORDER**

On January 4, 2022, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed with the State Corporation Commission ("Commission") an Application, pursuant to § 56-235.12 of the Code of Virginia ("Code"), in which the Company proposes to establish an economic development program ("ROW Program"). Through the ROW Program, CVA would seek to acquire utility rights-of-way ("ROW") for two economic development sites, the Shannon Hill Regional Business Park ("Shannon Hill") and the Mid-Atlantic Advanced Manufacturing Center ("MAMaC").<sup>1</sup>

Shannon Hill is a 700-acre tract located off Shannon Hill Road at the Interstate 64 interchange in Louisa County, Virginia, approximately 25 miles from Charlottesville, Virginia and 40 miles from Richmond, Virginia.<sup>2</sup> Louisa County has prepared a master plan for this site to accommodate industries such as logistics and distribution, data centers, advanced manufacturing, light manufacturing, and accessory offices.<sup>3</sup> According to the Application, if Shannon Hill were successfully developed, Louisa County estimates a potential capital investment at this site of \$2.5 billion and the creation of 3,500 new jobs for the region.<sup>4</sup>

MAMaC is a 1,600-acre site located in Greensville County, Virginia, centrally located with Interstate 95 frontage, access to a CSX main line, and a direct route to Virginia ports.<sup>5</sup> MAMaC is located approximately 60 minutes south of Richmond, Virginia and 90 minutes west of Norfolk, Virginia.<sup>6</sup> Greensville County, Mecklenburg County, and the City of Emporia all support MAMaC through a revenue-sharing agreement.<sup>7</sup> According to the Application, if MAMaC were successfully developed, Greensville County estimates that MAMaC would bring in capital investment of \$1.25 to \$1.75 billion to the area and create upwards of 6,350 jobs.<sup>8</sup>

On January 26, 2022, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; scheduled a public hearing on the Application; required CVA to publish notice of the Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

On March 4, 2022, Staff filed its direct testimony and exhibits. On March 16, 2022, CVA filed a letter in lieu of rebuttal testimony.

The evidentiary public hearing in this case was held on March 30, 2022, in which the Company and Staff participated.

On April 11, 2022, the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report"), was filed. The Chief Hearing Examiner made the following findings and recommendations in his Report: (1) the Commission should approve CVA's proposed ROW Program, subject to the proposed spending caps of \$1,000,000 for Shannon Hill and \$180,000 for MAMaC and (2) the Commission should approve the Company's proposal to defer the costs incurred in implementing the ROW Program until new base rates and charges that incorporate the ROW Program become effective.<sup>9</sup> The Chief Hearing Examiner further recommended that should the Commission reject the ROW Program, ratepayers should be held harmless from any costs CVA has incurred associated with the ROW Program.<sup>10</sup>

On April 18, 2022, CVA and Staff filed comments on the Report.

NOW THE COMMISSION, upon consideration of the Company's Application, the record, the Report, and the applicable statutes, is of the opinion and finds that the ROW Program should be approved, subject to the limitations set forth below. The Commission notes that this is the first application to be filed under Code § 56-235.12 which was enacted by the General Assembly in 2019.<sup>11</sup>

<sup>1</sup> Ex. 4 (Application) at 1.

<sup>2</sup> *Id.* at Attachment 1 at 3.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at Attachment 1 at 3, 5.

<sup>5</sup> *Id.* at Attachment 1 at 4.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at Attachment 1 at 4, 5.

<sup>9</sup> Report at 18.

<sup>10</sup> *Id.*

<sup>11</sup> 2019 Va. Acts chs. 494, 495.

Code of Virginia

Code § 56-235.12 D provides:

The Commission shall approve, or approve with appropriate modifications, [an Economic Development] Program if it finds that:

1. The implementation of the Program will provide material economic development benefits that might not otherwise be attained absent the Commission's approval of the Program;
2. The Program proposes a rate mechanism, including base rates or a rate adjustment clause, that authorizes the utility to recover its costs incurred in implementing the Program until such time as the investment is placed in service;
3. The proposal to acquire utility rights-of-way would not otherwise be immediately supported by expected revenues from new loads served under the Program at the qualified economic development site;
4. The utility's capital investment does not exceed one percent of gross plant investment in the aggregate or \$5 million for any specific qualified economic development site;
5. The associated charges resulting from implementation of the Program will apply only to firm service customers;
6. The Virginia Economic Development Partnership has certified pursuant to subsection B that the site for which the utility proposes to acquire utility rights-of-way under the Program is a qualified economic development site;
7. The Program is designed only to acquire utility rights-of-way to a qualified economic development site and not to provide service to other customers or potential customers;
8. The utility's assumptions regarding costs to acquire utility rights-of-way under the Program are not unduly speculative; and
9. The Program is not otherwise contrary to the public interest.

Code § 56-235.12 G further provides:

A utility, in implementing a Program, shall in good faith coordinate the acquisition of rights-of-way with communications providers and other utilities, including water, sewer, electric, or natural gas utilities, so that any facilities ultimately to be constructed may be collocated to the extent feasible.

The Commission will address each of the statutory requirements below *seriatim*.

Material Economic Benefits (Code § 56-235.12 D 1)

The Company states that Shannon Hill supports an estimated potential capital investment in Louisa County of \$2.5 billion and the creation of 3,500 new jobs for the region, and that MAMaC supports an estimated potential capital investment of \$1.25 to \$1.75 billion, creating upward of 6,350 job impacting a reach of 60+ mile radius.<sup>12</sup> The Company further asserts that these benefits might not otherwise be attained absent approval of the ROW Program, because the long lead time associated with extending natural gas infrastructure is a risk to project developers.<sup>13</sup> Staff testified that the proposed ROW Program would make it far more likely for economic development benefits to be realized at the Shannon Hill and MAMaC sites.<sup>14</sup> In his Report, the Chief Hearing Examiner noted that evidence was presented that both Shannon Hill and MAMaC have been passed over by at least one potential development opportunity due to long lead times for site readiness, including the timeline for natural gas infrastructure work.<sup>15</sup> The Commission finds that the implementation of the ROW Program will provide material economic development benefits that might not otherwise be attained absent the Commission's approval.

Rate Mechanism & Revenue Support (Code §§ 56-235.12 D 2 and 3)

In its Application, the Company proposes to defer costs incurred in implementing the ROW Program until new base rates and charges that incorporate the ROW Program become effective.<sup>16</sup> Staff did not oppose the Company's proposed deferral mechanism methodology to track costs associated with the ROW Program.<sup>17</sup> The Company further asserts that the acquisition of the new ROW would not be immediately supported by expected revenues from the qualified economic development sites, because the sites are not currently developed and thus there is not load to serve at the sites.<sup>18</sup>

<sup>12</sup> Ex. 4 (Application), Attachment 1 at 5.

<sup>13</sup> *Id.*

<sup>14</sup> Ex. 5 (Samuel Direct) at 19.

<sup>15</sup> Report at 18.

<sup>16</sup> *Id.*

<sup>17</sup> Ex. 7 (Weatherford Direct) at 7.

<sup>18</sup> Ex. 5 (Application) at Attachment 1 at 6.

We find the requisite showing with respect to these statutory elements has been met.

Capital Investment (Code § 56-235.12 D 4)

According to the Application, the Company's jurisdictional gross plant as of December 31, 2020, is approximately \$1.2 billion, and one percent of this gross plant is \$12 million.<sup>19</sup> We find that the capital investment proposed by the Company does not exceed one percent of gross plant investment in the aggregate or \$5 million for any specific qualified economic development site, as required by Code § 56-235.12 D 4.

Firm Service Customers (Code § 56-235.12 D 5)

The Company proposed to design rates such that charges associated with the ROW Program will only apply to firm customers, as required by Code § 56-235.12 D 5.<sup>20</sup>

Virginia Economic Development Partnership ("VEDP") Certification & Provision of Service to Other Customers (Code §§ 56-235.12 D 6 and 7)

In its Application, CVA provided certification letters from the VEDP for both of the economic development sites.<sup>21</sup> The Company asserts that the acquisition of the ROW for these sites is not to provide service to any other customers or potential customers.<sup>22</sup> We find the requisite showing with respect to these statutory elements has been met.

Acquisition Cost Assumptions (Code § 56-235.12 D 8)

The Company states that the assumptions regarding costs are based on previous easement acquisitions, known labor rates, project scope estimates, county assessment records, per acre values and percentage of damage, and contractor pricing.<sup>23</sup> Staff verified the reasonableness of these assumptions through discovery.<sup>24</sup> We find that the Company's assumptions regarding the cost to acquire utility ROWs are not unduly speculative, as required by Code § 56-235.12 D 8.

Public Interest (Code § 56-235.12 D 9)

The Company asserts that the ROW Program is in the public interest as it will support economic development in the Commonwealth, and the sites' certification from the VEDP. CVA further asserts that it will follow its existing process for surveying, permitting, and acquiring ROWs, which will minimize environmental impacts, investigate subsurface conditions to ensure the foundation for the infrastructure is adequately designed and constructed, and acquire landowner permission to access property and acquire easements.<sup>25</sup> We find that the ROW Program is not contrary to the public interest.

Coordination with Other Utilities (Code § 56-235.12 G)

Finally, according to the Application, the Company coordinated with other utilities for both sites. The Company states that for the Shannon Hill site, it was not feasible to collocate ROWs with other utilities. For the MAMaC site, the Company was able to collocate with the Mecklenburg Electric Cooperative for a portion of the needed ROW.<sup>26</sup> We find that the Company coordinated with other utilities to the extent feasible.

Accordingly, IT IS ORDERED THAT:

(1) The Company's ROW Program is hereby approved, subject to the spending caps of \$1,000,000 for Shannon Hill and \$180,000 for MAMaC. Should the Company exceed those levels, the Company should seek separate Commission approval through an amendment to the ROW Program approved herein.

(2) Pursuant to Code § 56-235.12 F, the Company is authorized to acquire utility rights-of-way for the ordinary extension of utility facilities in the normal course of business to the Shannon Hill and MAMaC sites.

(3) Pursuant to Code § 56-235.12 F, the Company may defer the costs incurred in implementing the ROW Program from the time incurred until the time the Commission establishes new rates and charges that include recovery of such deferred costs of the ROW Program.

(4) This case is hereby dismissed.

<sup>19</sup> *Id.* at Attachment 1 at 6-7.

<sup>20</sup> *Id.* at Attachment 1 at 7.

<sup>21</sup> *See id.* at Attachments 6 and 7.

<sup>22</sup> *Id.* at Attachment 1 at 7.

<sup>23</sup> *Id.*

<sup>24</sup> Ex. 7 (Weatherford Direct) at 3.

<sup>25</sup> Ex. 5 (Application) at Attachment 1 at 8.

<sup>26</sup> *Id.*

**CASE NO. PUR-2022-00001  
NOVEMBER 21, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

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

**FINAL ORDER**

On March 18, 2022, pursuant to Code § 56-585.1 A 5 e, Appalachian Power Company ("APCo") filed with the State Corporation Commission ("Commission") a petition ("Petition") for approval to recover costs through its existing rate adjustment clause (the "E-RAC") related to capital investments and operations and maintenance compliance expenses that, according to APCo, are necessary to comply with state and federal environmental regulations.<sup>1</sup>

On April 21, 2022, the Commission issued an Order for Notice and Hearing that, among other things: docketed the Petition; required service and public notice thereof; granted certain waivers requested by APCo; directed the Commission's Staff ("Staff") to investigate the Petition and to file testimony containing the results of Staff's investigation; provided interested persons opportunities to participate in this proceeding; scheduled an evidentiary hearing; and appointed a Hearing Examiner to conduct all further proceedings on behalf of the Commission.

The following filed notices of participation: Sierra Club; West Virginia Coal Association, Inc.; Appalachian Voices; and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On September 21, 2022, the evidentiary hearing was convened before Commission Hearing Examiner D. Mathias Roussy, Jr., in the Commission's courtroom. The Hearing Examiner issued his Report in this matter on October 18, 2022 ("Report"). On November 1, 2022, comments on the Report were filed by: APCo; Sierra Club; Appalachian Voices; Consumer Counsel; and Staff.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.<sup>2</sup>

After analyzing the law and weighing the evidence – and providing a thorough and detailed analysis thereof – the Hearing Examiner made the following recommendations:<sup>3</sup>

Accordingly, I **RECOMMEND** that the Commission enter an order that:

- (1) **APPROVES** an approximately \$21 million [Effluent Limitation Guidelines ("ELG")] investment in Mountaineer, and an approximately \$63.5 million ELG investment in Amos, subject to the condition that APCo not seek from Virginia any costs of uneconomic regulatory dispatch (if required by the [West Virginia Public Service Commission]) and the Commission's ability to implement this commitment through rate ring-fencing;
- (2) **DENIES**, without prejudice, the proposed recovery of Amos dry sorbent injection reconfiguration costs;
- (3) **DENIES**, without prejudice, the proposed recovery of approximately \$95,000 of 2021 [Regional Greenhouse Gas Initiative] costs;
- (4) **APPROVES** a \$32,890,000 revenue requirement to revise the E-RAC rates for service to be rendered from December 1, 2022, to November 30, 2023;
- (5) **DIRECTS** APCo, each time it self-schedules Clinch River, to record the hours of each day that Clinch River self-schedules, the associated megawatts that are self-scheduled, and the reason for each self-scheduling;
- (6) **CLARIFIES** that the E-RAC rates should be incorporated into the balancing charge associated with the non-renewable generation rate adjustment clauses of APCo's Rider WWS;
- (7) **DIRECTS** APCo to incorporate a depreciation rate analysis of its E-RAC investment in its next depreciation study, including net salvage considerations and any excess/deficient depreciation accruals on such assets through the date of the study; and
- (8) **DISMISSES** this case.

Upon consideration of the record in this matter, the Commission concludes that the Hearing Examiner's findings and recommendations are supported by law and the evidence, are imbued with a rational basis, and are adopted herein.<sup>4</sup>

<sup>1</sup> APCo completed its filing on March 31, 2022, by submitting its Schedule 3 - Capital Structure and Cost of Capital Statement. The Commission's final order in this matter is due within eight (8) months from that date, or by November 30, 2022. Code § 56-585.1 A 7.

<sup>2</sup> The Commission has fully considered the evidence and arguments in the record. *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

<sup>3</sup> Report at 82 (emphases in original).

<sup>4</sup> *See, e.g.*, Report at 48-82.

Accordingly, IT IS ORDERED THAT:

- (1) The Commission adopts the Hearing Examiner's findings and recommendations as set forth herein.
- (2) The Hearing Examiner's recommendations, set forth above, are hereby ordered.
- (3) The Company forthwith shall file a revised E-RAC and supporting workpapers with the Clerk of the Commission and shall submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (4) This matter is dismissed.

**CASE NO. PUR-2022-00003  
MARCH 9, 2022**

APPLICATION OF  
RAPPAHANNOCK ELECTRIC COOPERATIVE and RAPPAHANNOCK ELECTRIC COMMUNICATIONS, INC.

For approval of an affiliate agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On January 14, 2022, Rappahannock Electric Cooperative ("REC" or "Cooperative") and its subsidiary Rappahannock Electric Communications, Inc. ("RE Comm") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 4<sup>1</sup> of Title 56 of the Code of Virginia ("Code") that requests approval of a new agreement ("Agreement") by which RE Comm will provide information technology ("IT") and cyber security services (collectively, "IT Services") to REC. Under the proposed Agreement REC will also provide management, administrative, operational, and other support services (collectively, "Support Services") to RE Comm.

RE Comm is a wholly owned subsidiary of REC, formed in 1989, that engages in unregulated business activities. REC and RE Comm are "affiliated interests" pursuant to Code § 56-76. According to the Application, RE Comm is preparing to provide new lines of service to both REC and unaffiliated entities, including information technology and cyber security services.<sup>2</sup>

REC previously furnished management, administration, and operation services to RE Comm under contracts dated August 22, 1989, and October 18, 2000.<sup>3</sup> The proposed Agreement enumerates the terms under which REC will provide management, administrative, and operational services as well as office space, transportation, equipment, and other Support Services to RE Comm, and the terms under which RE Comm will provide information technology, cyber security and other related IT Services to REC.<sup>4</sup> In addition, while RE Comm may develop additional lines of services to provide to REC and other entities in the future, the Applicants represent that they will seek separate Commission approval of any such services to REC in a future application.<sup>5</sup>

The Agreement provides that REC will charge for the IT Services received from RE Comm at the lower of cost or fair market value, or the applicable market price, where a reasonably comparable market price exists.<sup>6</sup> For the costs of services provided by REC officers and other employees to RE Comm, REC will charge RE Comm the direct actual time-plus-overhead costs.<sup>7</sup> For management, administration, and operations services provided to RE Comm, the costs charged by REC will be based on the higher of cost or market, as determined by the Cooperative.<sup>8</sup> For other services, as well as supplies, forms, and space, the Agreement provides that the costs for such services, supplies, or space will be based on the fair market value "as determined by a comparison of the costs for similar services, supplies, or space from at least two non-affiliated vendors."<sup>9</sup>

<sup>1</sup> Code § 56-76 *et seq.*

<sup>2</sup> Application at 2.

<sup>3</sup> See *Application of Rappahannock Electric Cooperative, For approval of certain transactions pursuant to Chapter 4, Title 56, Code of Virginia, as amended*, Case No. PUA-2000-00100, 2000 S.C.C. Ann. Rept. 248, Order Approving, in Part, and Denying, in Part, Approval of Certain Affiliate Transactions (Dec. 21, 2000).

<sup>4</sup> Application at 5.

<sup>5</sup> *Id.*

<sup>6</sup> See *id.* at Exhibit B, page 9.

<sup>7</sup> *Id.* Overhead includes such labor overhead cost items as 1) life insurance, 2) worker's compensation insurance, 3) short and long-term disability insurance, 4) unemployment compensation insurance, 5) business travel insurance, 6) FICA taxes, 7) cafeteria benefits plan allowance, 8) 401k and defined pension plan, 9) vacation, 10) holiday, 11) sick leave, 12) educational reimbursement, and 13) miscellaneous employee service awards and achievements.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

As proposed, the Agreement will begin April 1, 2022, and continue in effect thereafter on a year to year basis as may be amended in writing by the parties from time to time, or until terminated or cancelled by either party with written notice of cancellation at least 60 days prior to the effective date of termination.<sup>10</sup>

According to the Application, REC has received IT and cyber security services from third-party vendors. Through these arrangements, REC received services from employees of the vendor who have resided in REC's offices ("IT Personnel").<sup>11</sup> REC states that it has provided notice to its current vendor of REC's intention to terminate the agreement as of March 31, 2022, and determined that the IT Personnel will be transitioned to become employees of RE Comm to continue serving the Cooperative through the Agreement between the Cooperative and RE Comm.<sup>12</sup>

REC states that it has determined that, by contracting with RE Comm for these services, REC will be able to reduce costs and increase its oversight of the IT and cyber security services it receives.<sup>13</sup> REC states that the proposed arrangement with RE Comm will produce significant savings for the Cooperative's members and is more cost-beneficial than continuing to procure IT and cyber security services under a third-party contract.<sup>14</sup>

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Applicants' comments thereon, is of the opinion and finds that the Agreement is in the public interest and should be approved subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved subject to the requirements listed in the Appendix attached to this Order.
- (2) This case is dismissed.

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<sup>10</sup> *Id.* at Exhibit B, page 10.

<sup>11</sup> *Id.* at 3.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 4.

<sup>14</sup> *Id.* at 4-5.

#### APPENDIX

1) The Commission's approval of the Agreement shall extend for five years from the effective date of the order in this case. If REC wishes to continue under the Agreement beyond that date, separate approval shall be required.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The Commission's approval shall be limited to the specific IT Services and Support Services (collectively, "Services") identified and described in the Agreement. If REC wishes to receive Services from, or provide Services to, RE Comm not specifically identified and described in the Agreement, separate approval shall be required.

4) REC shall be required to maintain records demonstrating that the Services received from or provided to RE Comm under the Agreement are cost beneficial to Virginia ratepayers. For any Service that REC receives from RE Comm where a market may exist, REC shall investigate and compare the market price to its cost of receiving the Service and pay RE Comm the lower of cost or market. Likewise, for any Service that REC provides to RE Comm where a market may exist, REC shall investigate and compare the market price to its cost of providing the Service, and charge RE Comm the higher of cost or market. Records of such investigations and comparisons shall be available for Staff review upon request. REC shall bear the burden of proving, in any rate proceeding, that it complied with the Commission's affiliate asymmetric pricing policy for any Services provided to or received from RE Comm under the approved Agreement.

5) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

6) Separate Commission approval shall be required for any changes in the terms and conditions of the Agreement.

7) The Commission shall reserve the right to examine the books and records of REC and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

8) REC shall file an executed copy of the approved Agreement within 30 days after the effective date of the order granting approval in this case, subject to administrative extension by the Director of the Division of Utility Accounting and Finance ("UAF Director").

9) REC shall include all transactions associated with the Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:

- (a) List the latest case number in which the Agreement was approved;
- (b) List REC, the affiliate(s), and the Support Services provided and/or IT Services received; and
- (c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Services provided and received by month, type of service, FERC account, and dollar amount (as the transactions are recorded in REC's books).

**CASE NO. PUR-2022-00004  
JULY 18, 2022**

APPLICATION OF  
BIF IV INTREPID OPCO LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On March 28, 2022, BIF IV Intrepid OpCo LLC ("BIF IV" or "Company") completed the filing of an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("Certificates") to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia ("Application").<sup>1</sup> The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia. Included in its Application is BIF IV's notice to the Commission of its election to be regulated as a competitive telephone company in accordance with Code § 56-54.2 *et seq.* BIF IV filed a Motion for Protective Order on January 18, 2022, and filed two supplemental motions on March 25, 2022, and June 13, 2022 (collectively, "Motions").

On April 7, 2022, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed BIF IV to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to investigate the Application and file a report ("Staff Report"). On May 4, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On June 15, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, 20 VAC 5-417-10 *et seq.* ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-411-10 *et seq.* ("Interexchange Rules"). Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to BIF IV subject to the following condition: BIF IV should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation by the Issuer or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

Staff also determined that BIF IV will meet the definition of a competitive telephone company under Code § 56-54.2 upon the issuance of the local exchange Certificate requested in this proceeding, and that the Company is entitled to elect to be regulated as such by operation of law. Staff noted that pursuant to the governing statutory provisions, the election will be effective upon the issuance of the local exchange Certificate with no further action of the Commission required.

Under the Scheduling Order issued in this case, any response to the Staff Report by the Company was due to be filed by June 22, 2022. BIF IV did not file a response to the Staff Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds it should grant Certificates to BIF IV. Having considered Code § 56-481.1, the Commission finds that BIF IV may price its interexchange services competitively. The Commission finds that pursuant to Code § 56-54.2, BIF IV is eligible to elect to be regulated as a competitive telephone company and that such election, pursuant to Code § 56-54.3, becomes effective on the date of this Final Order. The Commission finds that the Company's Motions are moot; therefore, the Motions should be denied.<sup>2</sup>

Accordingly, IT IS ORDERED THAT:

- (1) BIF IV is hereby granted Certificate No. T-797 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.
- (2) BIF IV is hereby granted Certificate No. TT-321A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.
- (3) Pursuant to Code § 56-481.1, BIF IV may price its interexchange telecommunications services competitively.
- (4) BIF IV shall be regulated as a competitive telephone company pursuant to the provisions of Code § 56-54.2 *et seq.*
- (5) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If BIF IV elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

<sup>1</sup> BIF IV made additional supplemental filings in support of the Application on April 15, 2022, and June 13, 2022.

<sup>2</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motions as moot but direct the Clerk of the Commission to retain the confidential information to which the Motions pertain under seal.

(6) BIF IV shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(7) The Company's Motions are denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motions pertain under seal.

(8) This case is dismissed.

**CASE NO. PUR-2022-00006  
SEPTEMBER 21, 2022**

PETITION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

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

**FINAL ORDER**

On January 25, 2022, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to § 56-585.1 A 5 e of the Code of Virginia ("Code"), for an annual update of its rate adjustment clause, designated Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations at the Company's Chesterfield, BreMO, Clover, and Mt. Storm Power Stations.<sup>1</sup>

Dominion states that it is filing this annual update to inform the Commission of the status of the environmental projects located at the Chesterfield Power Station, including the Chesterfield Integrated Ash Project, as well as the environmental projects at the BreMO, Clover, and Mt. Storm Power Stations, and their projected expenditures.<sup>2</sup> The Company is also seeking Commission approval of a new project at Mt. Storm Power Station, the Bottom Ash Water Transport Project ("Mt. Storm BAWT Project" or "Project"), which would replace the current discharge system for bottom ash transport water with a new system that would recirculate bottom ash transport water in a closed loop, separating the bottom ash for removal.<sup>3</sup> According to the Company, the Mt. Storm BAWT Project is necessary to comply with state and federal environmental laws and regulations.<sup>4</sup>

In this proceeding, Dominion is asking the Commission to approve Rider E for the rate year beginning November 1, 2022, and ending October 31, 2023 ("2022 Rate Year").<sup>5</sup> In its Petition, the Company sought recovery of a total combined revenue requirement of \$101,233,000 for service rendered during the 2022 Rate Year.<sup>6</sup>

On February 14, 2022, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Petition, scheduled public witness and evidentiary hearings on the Petition; required Dominion to publish notice of its Petition; gave interested persons the opportunity to file written comments or participate in this proceeding as a respondent; and appointed a Hearing Examiner to conduct further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the Sierra Club, the Virginia Committee for Fair Utility Rates, and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). The Sierra Club filed the testimony of one witness on May 24, 2022. In its testimony, the Sierra Club asserted that the Company failed to establish the reasonableness and prudence of pursuing Phase 2 of the Mt. Storm BAWT Project and recommended that the Commission either deny recovery of the costs associated with Phase 2 of the Project or, in the alternative, withhold such recovery until Dominion proves in a future proceeding that they were reasonably and prudently incurred.<sup>7</sup> Commission Staff ("Staff") filed the testimony of three witnesses on June 7, 2022.<sup>8</sup> In its testimony, Staff recommended disallowance of approximately \$914,000 in compounded financing costs Dominion incurred between January 1, 2020, and October 31, 2022, because Staff believed the Company should have requested recovery of the Mt. Storm BAWT Project costs in an earlier proceeding.<sup>9</sup> On June 21, 2022, Dominion filed rebuttal testimony. In rebuttal, Dominion asserted that the costs incurred in Phase 2 of the Project

<sup>1</sup> Ex. 2 (Petition) at 1.

<sup>2</sup> *Id.* at 4.

<sup>3</sup> *Id.* at 7-8.

<sup>4</sup> *Id.* at 4.

<sup>5</sup> *Id.* at 4, 9; Ex. 7 (Givens Direct) at 2.

<sup>6</sup> Ex. 2 (Petition) at 10. The three key components of the revenue requirement are the Projected Cost Recovery Factor ("Projected Factor"), the Allowance for Funds Used During Construction ("AFUDC") Cost Recovery Factor, and the Actual Cost True-Up Factor ("True-Up Factor"). *Id.* at 9.

<sup>7</sup> Ex. 9 (Glick Direct) at 7-8.

<sup>8</sup> On June 13, 2022, and July 5, 2022, respectively, Staff filed certain corrections and supplemental testimony.

<sup>9</sup> Ex. 10 (Harris Direct) at 8-9; Ex. 11 (Harris Supp.) at Supp. Sch. 1. Staff therefore recommended approval of a revenue requirement of \$100,800,000 for the 2022 Rate Year. Ex. 10 (Harris Direct) at 7-10.



were reasonable and prudent and that the present docket is the appropriate proceeding to seek recovery of Project costs.<sup>10</sup> Moreover, as a result of certain other corrections and adjustments, Dominion calculated an updated total revenue requirement for Rider E of \$101,747,000.<sup>11</sup> The Commission did not receive any written public comments regarding the Petition.

A telephonic hearing for the receipt of testimony from public witnesses was scheduled for July 12, 2022, but was canceled because no public witness signed up to testify.<sup>12</sup> The evidentiary hearing was convened on July 13, 2022. The Company, the Sierra Club, Consumer Counsel, and Staff participated at the hearing.

On August 1, 2022, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") was filed. In the Report, the Senior Hearing Examiner made the following findings:

- (1) The record supports a total updated Rider E revenue requirement of \$101,747,000; however, recovery in this case should be limited to \$101,233,000, consisting of an Actual Cost True-Up Factor of \$28,916,000, an AFUDC Cost Recovery Factor of \$13,469,000, and a Projected Factor of \$58,848,000. Any difference between the total revenue requirement and what is approved by the Commission can be addressed as part of the actual cost true-up factor in a future Rider E filing;
- (2) The Company established the reasonableness and prudence of pursuing Phase 2 of the Mt. Storm BAWT Project;
- (3) The Company established a reasonable basis for its "timely" recovery of the Mt. Storm BAWT Project costs, including compounded financing costs associated with costs incurred before the pause in 2019; and,
- (4) The updated Rider E rates should be designed to recover the approved revenue requirement based on the allocation and rate design methodology supported by Company witness Lawson.<sup>13</sup>

The Senior Hearing Examiner recommended the Commission issue an order that adopts the Report's findings, approves the Company's Petition as revised, and dismisses the case.<sup>14</sup>

On August 22, 2022, Dominion, the Sierra Club, Consumer Counsel, and Staff each filed comments regarding the findings and recommendations set forth in the Report.<sup>15</sup>

NOW THE COMMISSION, upon consideration of this matter, adopts the reasoning, findings, and recommendations set forth in the Hearing Examiner's Report.<sup>16</sup> We further find expressly that the costs of projects approved herein satisfy all of the requirements of Code § 56-585.1 A 5 e. Specifically, based on the findings and rationale in the Hearing Examiner's Report, we conclude that the costs approved herein are "[p]rojected and actual costs of projects that the Commission finds to be necessary to . . . comply with state or federal environmental laws or regulations applicable to generation facilities used to serve the utility's native load obligations," and "are necessary to comply with such environmental laws or regulations."

Having found that the costs approved herein meet the requirements of both § 56-585.1 A 5 e and Code § 56-585.1 D, we approve a total revenue requirement of \$101,747,000 for Rider E for the 2022 Rate Year; however, recovery in this case shall be limited to the noticed amount of \$101,233,000, consisting of an Actual Cost True-Up Factor of \$28,916,000, an AFUDC Cost Recovery Factor of \$13,469,000, and a Projected Factor of \$58,848,000, with any difference between the total revenue requirement and what is approved herein being addressed in a future Rider E proceeding. The updated Rider E rates should be designed to recover the approved revenue requirement based on the allocation and rate design methodology supported by Company witness Lawson.

Accordingly, IT IS ORDERED THAT:

- (1) The reasoning, findings, and recommendations set forth in the Hearing Examiner's Report are hereby adopted as set forth herein.
- (2) The costs approved for recovery herein meet the requirements of Code § 56-585.1 A 5 e. The costs approved herein are "projected and actual costs of projects that the Commission finds to be necessary . . . to comply with state or federal environmental laws or regulations applicable to generation facilities used to serve the utility's native load obligations," and "are necessary to comply with such environmental laws or regulations."

<sup>10</sup> See, e.g., Ex. 21 (Drummond Rebuttal) at 2-17; Ex. 14 (Boyd Rebuttal) at 2-10.

<sup>11</sup> Ex. 25 (Givens Rebuttal) at 3.

<sup>12</sup> Tr. 10.

<sup>13</sup> Report at 38.

<sup>14</sup> *Id.* at 38.

<sup>15</sup> Dominion filed comments supporting the findings and recommendations set forth in the Report. See Dominion's Comments to the Report at 6. In its comments, the Sierra Club recommended that the Commission reject the Hearing Examiner's finding that the Company established the reasonableness and prudence of pursuing Phase 2 of the Mt. Storm BAWT Project. See Sierra Club's Comments to the Report at 21. Staff and Consumer Counsel recommended in comments that the Commission disallow the recovery of approximately \$914,000 in compounded financing costs that the Company incurred between January 1, 2020 and October 31, 2022, and approve a revenue requirement of \$100,800,000. See Staff's Comments to the Report at 12; Consumer Counsel's Comments to the Report at 7.

<sup>16</sup> In so doing, we have considered and weighed all of the evidence. We also find no merit in Sierra Club's assertion that the Hearing Examiner considered certain evidence to the exclusion of other evidence. See Sierra Club's Comments to the Report at 20.

(3) Rider E is approved as described herein with a revenue requirement in the amount of \$101,233,000 for the 2022 Rate Year.

(4) The updated Rider E rates shall be designed to recover the approved revenue requirement based on the allocation and rate design methodology supported by Company witness Lawson.

(5) Rider E shall be effective for service rendered on and after November 1, 2022.

(6) The Company forthwith shall file a revised Rider E and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(7) The Company shall file its next Rider E application on or after January 3, 2023.

(8) This case is dismissed.

**CASE NO. PUR-2022-00007  
APRIL 13, 2022**

APPLICATION OF  
VIRGINIA-AMERICAN WATER COMPANY and AW INSURANCE LLC

For approval of insurance-related arrangements under Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On January 19, 2022, Virginia-American Water Company ("VAWC" or "Company") and AW Insurance LLC ("AWI") (collectively, "Applicants"), filed an Application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code") and Appendix Paragraph (1) of the Commission's April 20, 2017 Order Granting Approval in Case No. PUR-2017-00011,<sup>2</sup> requesting approval of three insurance-related arrangements with AWI (collectively, the "Proposed Arrangements").

Specifically, the Applicants request approval of (1) VAWC's continued participation in the Insurance-Related Arrangement approved in the 2017 Order ("AWI Arrangement"); (2) VAWC's participation in a new Employment Practices Liability Insurance Arrangement ("EPLI Arrangement"), under which AWI would provide primary employment practices liability coverage for the benefit of VAWC, along with American Water Works Company, Inc. ("American Water"), and its other subsidiaries; and (3) an Expanded AWI Arrangement, which would allow VAWC to participate in arrangements with AWI in the future for additional lines of insurance coverage without VAWC needing to obtain prior Commission approval.

The current AWI Arrangement was approved by the Commission in the 2017 Order and allows AWI's provision of Terrorism Risk Insurance Act (including Nuclear, Biological, Chemical, and Radiological) insurance coverage ("TRIA coverage") and deductible liability coverage for general liability, professional liability, workers' compensation, auto liability, and owners/contractors protective liability lines of insurance. The current arrangement is set to expire on April 20, 2022; therefore, the Applicants are requesting approval of VAWC's continued participation in the AWI Arrangement. The Applicants represent that there will be no changes to the AWI Arrangement as a result of the proposed EPLI Arrangement or Expanded AWI Arrangement.<sup>3</sup>

The Applicants state that through the EPLI Arrangement, AWI will provide primary insurance coverage for employment practices liability, which will cover discrimination, harassment, wrongful termination, and other employment related claims.<sup>4</sup> The Applicants represent that the purpose for VAWC adding employment practices liability insurance to the insurance it currently obtains from AWI is to provide a layer of coverage under American Water's current employment practices liability insurance policy more cost effectively than the commercial insurance market.<sup>5</sup>

The Applicants state that the overall goal of the Expanded AWI Arrangement is to increase AWI's ability to secure the best available coverage in all insurance market conditions, which they state have continued to grow challenging for utilities such as VAWC and its affiliates.<sup>6</sup> The Applicants represent that the Expanded AWI Arrangement will enable AWI to react to coverage gaps and provide alternatives to commercial insurance coverage in a timely manner at cost-effective rates without the necessity of VAWC filing an application with the Commission for prior approval.<sup>7</sup>

<sup>1</sup> Code § 56-76 *et seq.*

<sup>2</sup> *Application of Virginia-American Water Company and AWI, Inc., For approval of an insurance-related arrangement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2017-00011, 2017 S.C.C. Ann. Rept. 440, Order Granting Approval (Apr. 20, 2017) ("2017 Order"). Effective January 1, 2020, AWI changed its name from AWI, Inc., to AW Insurance LLC.

<sup>3</sup> See Staff Action Brief, Appendix B at 1.

<sup>4</sup> Application at 5.

<sup>5</sup> See Staff Action Brief, Appendix B at 1.

<sup>6</sup> Application at 3-4.

<sup>7</sup> *Id.* at 4.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Accordingly, although there are no transactions directly between AWI and VAWC, the Applicants are requesting that the Commission approve the Expanded AWI Arrangement so that it is not necessary for VAWC to obtain Commission approval prior to participating in insurance-related arrangements with AWI in the future for each additional insurance coverage.<sup>8</sup> Instead, VAWC is proposing that the Commission approve the structure of the relationship between VAWC and AWI and grant VAWC authority to participate in arrangements for additional lines of insurance without prior Commission approval.<sup>9</sup>

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff through its Action Brief, and having considered the Company's comments thereon, is of the opinion and finds that the Proposed Arrangements are in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Applicants are hereby granted approval of the Proposed Arrangements effective as of the date of this Order Granting Approval, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 4-5.

## APPENDIX

1) The Commission's approval of the Proposed Arrangements shall be limited to five (5) years from the date of the Order in this case. Should the Applicants wish to continue under any of the Proposed Arrangements beyond that date, separate Commission approval shall be required.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The Commission's approval shall not preclude the Commission from exercising its authority under Va. Code § 56-76 *et seq.*, hereafter.

4) Separate Commission approval shall be required for any changes in the terms and conditions of the Proposed Arrangements.

5) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

6) VAWC shall be required to maintain records demonstrating that the services provided by AWI are cost beneficial to Virginia ratepayers. For all services provided by AWI where a market may exist, VAWC shall investigate whether there are alternative sources from which it could purchase such services. If an alternative source exists, VAWC shall compare the market price to AWI charges and pay the lower of cost or market. Records of such investigations and comparisons shall be available for Staff review upon request.

7) VAWC shall be required to bear the burden of proving, in any rate proceeding, that VAWC paid AWI the lower of cost or market for any services under the Proposed Arrangements.

8) The Commission's approval of the AWI Arrangement and the EPLI Arrangement shall be limited to the specific services identified in the Application. Should VAWC wish to obtain additional services from AWI under these arrangements that are not specifically identified in the Application, separate Commission approval shall be required.

9) VAWC shall be required to file reports of action with the Commission and the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") should the Company participate in any additional lines of insurance coverage under the Expanded AWI Arrangement. VAWC shall also be required to include information related to the specific lines of insurance obtained through AWI in all subsequent proceedings to review the Expanded AWI Arrangement.

10) All transactions associated with the Proposed Arrangements shall be included in VAWC's Annual Report of Affiliate Transactions ("ARAT"), submitted to the Commission's UAF Director on April 1 of each year, subject to administrative extension by the UAF Director. VAWC shall also include the following information specifically related to the AWI Arrangement in its ARAT:

- (a) The annual premiums charged to VAWC related to the Deductible Buy Down Policy;
- (b) The annual collateral amounts charged to VAWC related to the Deductible Buy Down Policy;
- (c) Any other amounts charged to VAWC related to the Deductible Buy Down Policy;
- (d) The annual premiums charged to VAWC for TRIA coverage; and
- (e) The annual deductibles or other amounts charged to VAWC related to the TRIA coverage.

11) In addition to Requirement (10) above, and the ARAT information the Company currently provides, VAWC shall also include an updated list of all lines of insurance coverage under the Proposed Arrangements with its ARAT.

12) In the event that VAWC's annual informational filings or expedited or general rate case filings are not based on a calendar year, then VAWC shall include the affiliate information contained in its ARAT in such filings.

**CASE NO. PUR-2022-00008  
MAY 24, 2022**

APPLICATION OF  
BARR TELL USA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On February 7, 2022, Barr Tell USA, Inc. ("Barr Tell" or "Company") completed an application ("Application") with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("Certificates") to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code").

On February 28, 2022, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Barr Tell to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On March 22, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On May 9, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.*, and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq.*<sup>1</sup> Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to Barr Tell subject to the following condition: Barr Tell should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time.<sup>2</sup> Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.<sup>3</sup>

On May 9, 2022, Barr Tell filed a letter stating that it was pleased with the Staff Report and would comply with the Staff's recommendation contained therein.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant Certificates to Barr Tell. Having considered Code § 56-481.1, the Commission also finds that Barr Tell should be permitted to price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Barr Tell is hereby granted Certificate No. T-789 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Barr Tell is hereby granted Certificate No. TT-319A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, Barr Tell may price its interexchange telecommunications services competitively.

(4) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Barr Tell elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) Barr Tell shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(6) This case is dismissed.

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<sup>1</sup> See Staff Report at 4.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

**CASE NO. PUR-2022-00011  
MAY 25, 2022**

APPLICATION OF  
VIRGINIA NATURAL GAS, INC.

For authority to amend its natural gas conservation and ratemaking efficiency plan

**FINAL ORDER**

On January 28, 2022, pursuant to Chapter 25 of Title 56 of the Code of Virginia, §§ 56-600 *et seq.* ("CARE Act"), the Rules Governing Utility Rate Applications and Annual Informational Filings of the State Corporation Commission ("Commission"),<sup>1</sup> and the Commission's April 12, 2019 Final Order issued in Case No. PUR-2018-00194,<sup>2</sup> Virginia Natural Gas, Inc. ("VNG" or "Company"), by counsel, filed an application ("Application") for approval to amend and extend its current natural gas conservation and ratemaking efficiency plan ("Amended CARE Plan"). VNG refers to its currently approved CARE Plan as Phase 4 and the amendment requested in the Application as Phase 5. Pursuant to Code § 56-602 B, the Commission is required to approve or deny the Application within 120 days.

In its Application, the Company proposes to extend the main components of Phase 4 and allow customers to continue to have the opportunity to participate. Additionally, VNG proposes to (1) diversify and stratify the rebates available to customers under the Residential Home Incentive program by adding rebates for tankless water heaters as well as incorporating two-tier rebate levels for the tankless water heater and furnace rebates, (2) update the Home Energy Audit Program to offer three different kits to customers throughout Phase 5 instead of having only one kit available each year and rotating the kit contents as is currently done in Phase 4, and (3) add a Home Energy Report Program and a Low-Income Home Energy Report Program (together, the "HER Programs") which are behavioral energy efficiency programs designed to help customers reduce their energy needs by encouraging them to alter their natural gas usage habits through positive reinforcement.<sup>3</sup>

The Company states that the proposed overall budget from Phase 4 to Phase 5 is projected to increase from \$1.35 million to \$3.1 million.<sup>4</sup> The Company represents that the typical residential customer will see a monthly bill increase of approximately \$0.17 per month, compared to the current Phase 4 program, and that the overall cost of the program will be below \$4 per year for a typical residential customer.<sup>5</sup>

In its Application, the Company states that its only proposed modification to the Company's Commission approved CARE Plan decoupling and program cost recovery mechanism, designated Rider D,<sup>6</sup> is a change in the per CCF rate cap from \$0.09 to \$0.13 based on the rates approved in VNG's most recent base rate case, Case No. PUR-2020-00095.<sup>7</sup>

If approved by the Commission, the Company proposes to implement its amended CARE Plan effective June 1, 2022, for the three-year period ending May 31, 2025.<sup>8</sup> In its Application, the Company asserts that the amended CARE Plan will have no impact on the rate design previously adopted by the Commission.<sup>9</sup>

On February 18, 2022, the Commission issued an Order for Notice and Comment that, among other things, docketed the Company's Application; directed the Company to provide public notice of its Application; allowed interested persons to file comments and request a hearing on the Application; directed the Commission's Staff ("Staff") to investigate the Application and to file a report ("Staff Report" or "Report") containing the Staff's findings and recommendations; and allowed the Company to file a response to the Staff Report and any comments filed by interested persons.

No notices of participation, comments or request for hearing were filed.

On April 15, 2022, the Staff filed its Report on the Company's Application.

On April 29, 2022, VNG filed its response ("Response") to the Staff Report.

<sup>1</sup> 20 VAC 5-201-10 *et seq.*

<sup>2</sup> *Application of Virginia Natural Gas, Inc., For approval of an amendment to its conservation and ratemaking efficiency plan*, Case No. PUR-2018-00194, 2019 S.C.C. Ann. Rept. 325, Final Order (Apr. 12, 2019).

<sup>3</sup> Application at 3.

<sup>4</sup> *Id.* at 10; Pre-filed Direct Testimony of Tyler W. Lake at 9.

<sup>5</sup> Pre-filed Direct Testimony of Robert S. Duval at 4-5.

<sup>6</sup> Rider D is designed to adjust sales consistent with the CARE Act and only applies to VNG's residential customers taking service on Rate Schedule 1 (Residential Firm Gas Sales Service) and Rate Schedule 3 (Residential Air Conditioning Firm Gas Sales Service). VNG is proposing to remove Rate Schedule 3 from the CARE Program, because it is a closed rate schedule for residential customers with gas-fired air conditioning. Pre-filed Direct Testimony of Ashley K. Vette at 7.

<sup>7</sup> Pre-filed Direct Testimony of Ashley K. Vette at 4. See *Application of Virginia Natural Gas, Inc., For a general rate increase and for authority to revise the terms and conditions applicable to natural gas service*, Case No. PUR-2020-00095, Doc. Con. Cen. No. 210930005, Final Order (Sept. 14, 2021).

<sup>8</sup> Application at 1.

<sup>9</sup> *Id.* at 2.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. The CARE Act requires that a CARE program or portfolio of programs be approved "if the net present value of the benefits exceeds the net present value of the costs as determined by not less than any three of the following four tests: the Total Resource Cost Test, the Program Administrator Test (also referred to as the Utility Cost Test), the Participant Test, and the Ratepayer Impact Measure Test."<sup>10</sup> We find that the Company's Amended CARE Plan satisfies the provisions of the CARE Act<sup>11</sup> and accordingly approve a three-year extension.

With respect to Rider D, we further approve the Company's request to increase the per CCF rate cap from \$0.09 to \$0.13 and to remove Rate Schedule 3.

The Commission approves the Company's proposed budget changes, including moving the 5% spending variance allowance from the measure level to the program level, and further accepts Staff's recommendation that the 5% spending cap be applied to the proposed total (i) Customer Education and Outreach, and (ii) Operational and Administrative Costs effective with Phase 5.<sup>12</sup>

The Commission further directs the Company to conduct an internal audit on its CARE programs prior to the expiration of the Amended Care Plan approved herein.<sup>13</sup>

In approving this request for an increase, the Commission notes its awareness of the ongoing COVID-19 public health issues, which have had negative economic effects that impact all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the applicable laws, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application for approval to amend its CARE Plan is approved as set forth herein and shall be effective June 1, 2022, for a period of three (3) years.

(2) The Company forthwith shall file revised tariffs and terms and conditions of service with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(3) VNG shall continue to file annual reports that measure and verify the actual results of its CARE Plan as directed in Final Order in Case No. PUR-2018-00194.

(4) This matter is dismissed.

<sup>10</sup> Code § 56-600.

<sup>11</sup> Staff Report at 9-23.

<sup>12</sup> Staff Report at 32-33.

<sup>13</sup> Staff Report at 36; VNG Response at 5.

## CASE NO. PUR-2022-00012 NOVEMBER 28, 2022

### APPLICATION OF VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Aviator 230 kV Line Loop and Aviator Substation

### FINAL ORDER

On February 2, 2022, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities in Loudoun County, Virginia. Dominion filed its Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Through its Application, the Company proposes to complete the following, which is collectively referred to as the "Project":<sup>1</sup>

- Construct a new approximately 0.9-mile overhead 230 kilovolt ("kV") double circuit transmission line loop on new 100-foot-wide right-of-way ("ROW") by cutting existing 230 kV overhead Poland Road-Shellhorn Line #2137 (Brambleton-Poland Road Line #2183) at Structures #2137/133-134 (Structures #2183/58-57), resulting in (i) 230 kV Aviator-Shellhorn Line #2137, and (ii) 230 kV Aviator-Poland Road Line #2221 ("Aviator Loop"). The 0.9-mile proposed route of the Aviator Loop includes removal of one existing overhead span of double circuit 230 kV line located entirely within existing ROW between existing Structures #2137/133-134 (Structures #2183/58-57), and installation of a new overhead

<sup>1</sup> Ex. 2 (Application) at 2-3.

double circuit 230 kV line in new ROW for approximately 0.1 miles from existing Structure #2137/133 (Structure #2183/58) to a proposed new triple circuit steel pole located along Route 50 across from the existing Poland Road Substation ("Aviator Junction"), and for approximately 0.06 mile from the Aviator Junction to existing Structure #2137/134 (Structure #2183/57) at Poland Road Substation; and

- Construct a new 230-34.5 kV substation located on land purchased by the Company from a retail electric service customer ("Customer") along Willard Road ("Aviator Substation") and upgrade line protection at the Company's existing Poland Road Substation and future Sojourner Switching Station.

According to the Application, Dominion proposes the Project to provide service requested by the Customer, to maintain reliable service for overall growth in the area and to comply with mandatory North American Electric Reliability Corporation ("NERC") Reliability Standards.<sup>2</sup> Dominion further states the Project is necessary in order to assure that the Company can maintain and improve reliable electric services to the load area surrounding the Company's existing Poland Road Substation ("Poland Road Load Area") in Loudoun County.<sup>3</sup>

The Company states that the Customer has requested retail electric service from Dominion to support the future build-out of its three data center campuses (Campuses A, B, and C) totaling 543 megavolt amperes ("MVA") of power.<sup>4</sup> Dominion further states that it plans to serve the Customer's build-out of Campus A (totaling 140 MVA) and build-out of Campus B (totaling 105 MVA) from the existing Poland Road Substation, and to serve the Customer's future Campus C (totaling 298 MVA) from the proposed Aviator Substation; however, the Company will be providing temporary bridging power of up to 36 MVA until the Aviator Substation is built.<sup>5</sup> The Company further states that the proposed Project is needed to meet the load requirements of the Customer's Campus C, along with future load growth in the Poland Road Load Area.<sup>6</sup> According to Dominion, the proposed Aviator Substation will initially be constructed with four 230 kV, 4000 amps circuit breakers in a ring bus arrangement; two 230 kV line terminals; five 230-34.5 kV transformers, 112 MVA transformers; twelve 34.5 kV distribution circuits, and other associated equipment.<sup>7</sup> The Company asserts that, in total, the proposed Aviator Substation will be designed to accommodate future growth in the area with a build-out of six 230 kV, 4000 amps circuit breakers; two additional 230 kV line terminals; and up to twenty-five 34.5 kV distribution circuits.<sup>8</sup> Additionally, Dominion states that a new control enclosure will be installed to accommodate the protective relay and communications cabinets.<sup>9</sup> According to Dominion, the total area required to build the Aviator Substation is approximately 12.481 acres.<sup>10</sup>

The Company states that the desired in-service date for the Project is September 30, 2024.<sup>11</sup> The Company represents that the estimated conceptual cost of the Project utilizing the proposed route is approximately \$80.15 million, which includes approximately \$24.1 million for transmission-related work, approximately \$54.3 million for substation-related work, and approximately \$1.75 million for distribution-related work (2021 dollars).<sup>12</sup>

On February 15, 2022, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled public witness and evidentiary hearings; directed the Staff of the Commission ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter.

Staff requested that the Department of Environmental Quality ("DEQ") coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review. On April 1, 2022, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provided general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contained a Summary of Recommendations regarding the Project. According to the DEQ Report, the Company should:<sup>13</sup>

- Conduct an on-site delineation of wetlands and streams within the Project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;

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<sup>2</sup> *Id.* at 2.

<sup>3</sup> *Id.* at 3.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 4.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* Dominion requests that the Commission enter a final order by November 30, 2022. *Id.* The Company states that, should the Commission issue a final order by November 30, 2022, the Company estimates that construction should begin around May 31, 2023, and be completed by September 30, 2024. *Id.*

<sup>12</sup> *Id.* at 5.

<sup>13</sup> Ex. 12 (DEQ Report) at 6-7.

- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;
- Further evaluate Pollution Complaint cases identified in the Project area;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;
- Consider measures to minimize the fragmentation of ecological cores to preserve the natural patterns and connectivity habitats that are key components of biodiversity;
- Coordinate with the Department of Conservation and Recreation ("DCR") regarding the development of an invasive species plan;
- Coordinate with the DCR for updates to the Biotics Data System database during the final design stage of engineering and upon any major modifications of the project construction to avoid and minimize impacts to natural heritage resources;
- Coordinate with the Virginia Outdoors Foundation should the project change or if construction does not begin within 24 months of this response;
- Employ best management practices for the protection of water supply sources;
- Follow the principles and practices of pollution prevention to the extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.

On June 13, 2022, the Company filed supplemental testimony. On July 29, 2022, Staff filed testimony along with an attached report summarizing the results of its investigation of Dominion's Application. On August 15, 2022, the Company filed rebuttal testimony. On August 11, 2022, the Commission received a public comment from Chantilly Crushed Stone, Inc. ("CCS"), on the proposed Project. On August 30, 2022, the Senior Hearing Examiner convened a hearing for the receipt of public witness testimony and received the testimony of one public witness, the President of CCS. On August 31, 2022, the Senior Hearing Examiner convened the evidentiary hearing in the Commission's courtroom.<sup>14</sup> Dominion and Staff participated at the hearing.

On September 21, 2022, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") was issued. In the Report, the Senior Hearing Examiner made the following findings:<sup>15</sup>

1. The Company demonstrated the need for its proposed Project and has reasonably demonstrated that the Project, using Preferred Route 1 A, avoids or reasonably minimizes impacts on scenic and historic resources and the environment;
2. The Company's Application does not adversely impact any goal established by the Virginia Environmental Justice Act ("VEJA");<sup>16</sup> and
3. With the exception of recommendations to develop and implement an invasive species management plan ("ISMP") and develop an effective environmental management system ("EMS"), the recommendations in the DEQ Report should be adopted by the Commission as conditions of approval.

Accordingly, the Senior Hearing Examiner recommended the Commission enter an order that adopts the findings in the Report; grants the Company's Application to construct the proposed Project as specified; approves the Company's request for a certificate of public convenience and necessity ("CPCN") to authorize construction of the proposed Project as specified; and dismiss the case from the Commission's docket of active cases.<sup>17</sup>

On October 12, 2022, Dominion filed comments on the Report supporting the findings and recommendations contained therein.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Project. The Commission further finds that a CPCN authorizing the Project should be issued subject to certain findings and conditions contained herein.

#### Applicable Law

The Statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides the following:

it shall be unlawful for any public utility to construct, enlarge, or acquire . . . any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege.

<sup>14</sup> One public witness offered testimony during the public witness portion of the hearing. Tr. 6-12.

<sup>15</sup> Report at 15.

<sup>16</sup> Code § 2.2-234 *et seq.*

<sup>17</sup> *Id.*



Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

whenever the Commission is required to approve the construction of any electrical facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize environmental impact . . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that:

[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned.

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, Code § 56-259 C provides that "[p]rior to acquiring any easement of ROW, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

Dominion represented that the Project is needed to provide service requested by a Customer, to maintain reliable service for overall growth in the area and to comply with mandatory NERC Reliability Standards.<sup>18</sup> Staff concluded that Dominion reasonably demonstrated that there is a need to construct the Project.<sup>19</sup> The Commission finds the Company has demonstrated the requisite need for the Project.

#### Economic Development

The Commission has considered the effect of the Project on economic development in the Commonwealth and finds the evidence in this case demonstrates that the Project would support economic development in Loudoun County, including positive economic impacts associated with construction and operation of the Customer's three data centers.<sup>20</sup>

#### Rights-of-Way and Routing

In making determinations about the routing of a transmission line, "the Commission must balance adverse impacts along with other factors and traditional considerations."<sup>21</sup> The Commission must then "decide within the parameters of the statute what best serves the total public interest."<sup>22</sup> The Company presented one proposed route and one alternative route of the Project.<sup>23</sup> Route 1A is the Company's proposed route and Route 1B is the alternative route presented in the Application.<sup>24</sup>

After considering the alternatives and weighing the multitude of factors presented in this record, the Commission concludes that Route 1A satisfies the statutory requirements and best serves the total public interest. The record reflects that Route 1A would have the fewest impacts to the current and future operation of CCS's quarry.<sup>25</sup> Route 1A also would have the least predicted visual impact on the residential properties along Willard Road and on travelers on Route 50 as a result of the replacement of the existing diagonal crossing of Route 50 with a perpendicular crossing and the collocation of the route with Route 50.<sup>26</sup> Additionally, Route 1A takes advantage of collocation opportunities along Route 50 and is located further from the two residences in the Project area.<sup>27</sup>

<sup>18</sup> Ex. 2 (Application) at 2.

<sup>19</sup> Ex. 11 (Staff Report) at 12, 30.

<sup>20</sup> *Id.* at 28.

<sup>21</sup> *BASF v. State Corp. Com'n*, 289 Va. 375, 395 (2015) (citations and internal quotation marks omitted).

<sup>22</sup> *Id.*

<sup>23</sup> Ex. 2 (Application), Appendix at 52-56.

<sup>24</sup> *Id.*

<sup>25</sup> Ex. 2 (Application), Appendix at 54.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

### Impact on Scenic Assets and Historic Districts

The Commission finds that the Project will avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with VDHR, and the environment of the area concerned, as required by § 56-46.1 B of the Code. The record reflects, for example, that the Project would traverse through Loudoun County in an area that is characterized by existing data centers, some light industrial areas, and other commercial business/commercial land use<sup>28</sup> and none of the land within or near the ROW is being used for agricultural purposes.<sup>29</sup> In addition, the record reflects that the Virginia Department of Historical Resources ("VDHR") Virginia Cultural Resource Information System indicates that no archaeological sites fall within or adjacent to ROW for Route 1A, and no known historic resources that conform to the categories in VDHR's tiered study area model were identified.<sup>30</sup>

### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Project by state agencies concerned with environmental protection.<sup>31</sup>

The Commission finds there are no adverse environmental impacts that would prevent the construction or operation of the Project. This finding is supported by the DEQ Report, as nothing therein suggests the Project should not be constructed. There are, however, recommendations included in the DEQ Report for the Commission's consideration.<sup>32</sup> The Company opposed two of those recommendations.<sup>33</sup>

First, the Company requested the Commission reject DCR's Division of Natural Heritage's ("DCR-DNH") recommendation to develop a separate ISMP<sup>34</sup> because it is unnecessarily duplicative and could potentially lead to significant project cost increases and construction delays.<sup>35</sup> The Company stated that it already has an integrated vegetation management plan ("IVMP") in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species.<sup>36</sup> The Company also explained that IVMP is consistent with the standards for utility ROW developed by the American National Standards Institute, as well as the NERC Vegetation Management Standards, for all regions in the Company's service territory.<sup>37</sup> Furthermore, the Company cited numerous cases in which the Commission has rejected this recommendation.<sup>38</sup> The Company nevertheless stated it will meet with DCR-DNH in an attempt to come to a mutual agreement regarding its IVMP moving forward, and will file the results of those meetings in the next transmission CPCN case.<sup>39</sup> The Senior Hearing Examiner found that the Company, with its IVMP, should not be required to undergo the additional cost of DCR's ISMP.<sup>40</sup> The Commission agrees with the Senior Hearing Examiner and declines to adopt DCR's recommendation regarding an ISMP.

<sup>28</sup> Ex. 11 (Staff Report) at 24, Ex. 2 (Application), Appendix at 79.

<sup>29</sup> Ex. 11 (Staff Report) at 24, Ex. 2 (Application), Appendix at 79.

<sup>30</sup> Ex. 11 (Staff Report) at 24-25.

<sup>31</sup> Code § 56-46.1 A.

<sup>32</sup> Ex. 12 (DEQ Report) at 4-7.

<sup>33</sup> Ex. 14 (Studebaker Rebuttal) at 4.

<sup>34</sup> Ex. 12 (DEQ Report) at 6, 20.

<sup>35</sup> Ex. 14 (Studebaker Rebuttal) at 4-5.

<sup>36</sup> *Id.* at 4.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.* at 5; *see, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: DTC 230 kV Line Loop and DTC Substation*, Case No. PUR-2021-00280, Doc. Con. Cen. No. 220710054, Final Order at 16 (July 7, 2022); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Beaumeade-Belmont 230 kV Transmission Line #227 Reconductor and Partial Rebuild*, Case No. PUR-2021-00100, Doc. Con. Cen. No. 220220042, Final Order at 10 (Feb. 8, 2022); *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Fudge Hollow-Low Moor Line #112 and East Mill-Low Moor Line #161 138 kV Transmission Line Partial Rebuild*, Case No. PUR-2018-00139, 2019 S.C.C. Ann. Rep. 264, Final Order (Apr. 23, 2019); *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Evergreen Mills 230 kV Line Loops and Evergreen Mills Switching Station*, Case No. PUR-2019-00191, 2020 S.C.C. Ann. Rep. 357, Final Order (May 22, 2020); *Application of Virginia Electric and Power Company, For approval and certification of electric facilities: Loudoun-Ox 230 kV Transmission Line Partial Rebuild Projects*, Case No. PUR-2019-00128, 2020 S.C.C. Ann. Rep. 306, Final Order (June 2, 2020); *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Lockridge 230 kV Line Loop and Lockridge Substation*, Case No. PUR-2019-00215, 2020 S.C.C. Ann. Rep. 391, Final Order (Oct. 1, 2020).

<sup>39</sup> Report at 14; *see, Ex. 14 (Studebaker Rebuttal) at 6. See also, Dominion's Comments on Report at 3, in which the Company noted it has met with DCR-DNH, discussions on point are ongoing, and the Company will update the Commission as to these discussions in future transmission line case proceedings.*

<sup>40</sup> Report at 14.

Second, Dominion requested the Commission reject DEQ's recommendation to consider development of an effective EMS.<sup>41</sup> The Company asserted that it "already has a comprehensive EMS Manual in place that ensures the Company is committed to complying with environmental laws and regulations."<sup>42</sup> We find that Dominion's existing EMS achieves the purpose of this recommendation.<sup>43</sup> The Commission agrees with the Senior Hearing Examiner that this recommendation should be rejected.<sup>44</sup>

The Commission further finds that Dominion shall be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Project.

#### Environmental Justice

The VEJA sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>45</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>46</sup>

The Commission agrees with the Senior Hearing Examiner that the Company reasonably considered the requirements of the VEJA in its Application.<sup>47</sup>

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-LDN-2022-E, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Loudoun County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2022-00012, cancels Certificate No. ET-DEV-LDN-2022-D, issued to Virginia Electric and Power Company in Case No. PUR-2022-00027 on October 14, 2022.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for the Certificate Number that shows the routing of the transmission line approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Project approved herein must be constructed and in service by September 30, 2024. No later than ninety (90) days before the in-service date approved herein, for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension requested.

(7) This matter is dismissed.

<sup>41</sup> Ex. 14 (Stuebaker Rebuttal) at 4, 6.

<sup>42</sup> *Id.* at 6.

<sup>43</sup> The Commission has previously made a similar ruling in prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

<sup>44</sup> Report at 14; *see also*, Ex. 12 (DEQ Report) at 23.

<sup>45</sup> Code § 2.2-235.

<sup>46</sup> Code § 2.2-234; *see, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, 2021 S.C.C. Ann. Rep. 368, 372, Final Order (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 EPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, 2021 S.C.C. Ann. Rep. 242, 252, Final Order (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, 2021 S.C.C. Ann. Rep. 190, 195, Final Order (Feb. 1, 2021).

<sup>47</sup> Report at 14, 15.

**CASE NO. PUR-2022-00013  
APRIL 15, 2022**

APPLICATION OF  
GOOD ENERGY, LP

For a license to conduct business as a competitive service provider

**ORDER GRANTING LICENSE**

On February 14, 2022, Good Energy, LP ("Good Energy" or "Company"), completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider. Good Energy seeks authority to provide electric and natural gas aggregation service to eligible commercial, industrial, and governmental customers throughout Virginia.<sup>1</sup> In its Application, the Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"). Along with its Application, Good Energy also filed a Motion for Entry of a Protective Order ("Motion") pursuant to 5 VAC 5-20-110 and 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.

On March 3, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon the utilities listed on Attachment A of the Procedural Order on or before March 10, 2022, and to file proof of service on or before March 17, 2022. On March 8, 2022, the Company filed its proof of service. Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") filed a notice of participation on March 17, 2022.

The Procedural Order also directed any comments in the matter to be filed with the Clerk of the Commission on or before March 24, 2022. On March 24, 2022, Dominion filed comments in the case.

The Procedural Order also directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report") on or before March 31, 2022. The Staff filed its Report on March 31, 2022, which summarized Good Energy's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Good Energy be granted a license to conduct business as an electric and natural gas aggregator to eligible commercial, industrial, and governmental customers throughout Virginia.<sup>2</sup>

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Good Energy's Application for a license to provide competitive electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Good Energy is hereby granted license No. A-125 to provide electric and natural gas aggregation services to eligible commercial, industrial, and governmental customers throughout Virginia. This license to act as a competitive service provider is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>1</sup> Retail choice for natural gas service presently exists only in the service territories of Washington Gas Light Company and Columbia Gas of Virginia, Inc. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s. Retail choice for electricity exists only in the service territories of Virginia Electric and Power Company, Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is permitted only pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

<sup>2</sup> Report at 5.

**CASE NO. PUR-2022-00014  
JULY 7, 2022**

APPLICATION OF  
APPALACHIAN POWER COMPANY

For approval of a rate adjustment clause under Va. Code § 56-585.1 A 4

**FINAL ORDER**

On April 11, 2022, Appalachian Power Company ("APCo" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1 A 4 ("Subsection A 4") of the Code of Virginia ("Code") for approval to implement factors to recover its actual and forecast transmission-related costs through its transmission rate adjustment clause ("T-RAC").<sup>1</sup> Specifically, APCo requested permission to recover a proposed total revenue requirement of approximately \$368.1 million through the T-RAC for the August 2022 through July 2023 rate year ("Rate Year").<sup>2</sup>

Subsection A 4 allows an investor-owned electric utility to recover, with Commission approval, certain costs through a rate adjustment clause. Subsection A 4 deems to be reasonable and prudent the "costs for transmission services provided to the utility by the regional transmission entity of which the utility is a member" and "costs charged to the utility that are associated with demand response programs approved by the Federal Energy Regulatory Commission [(FERC)] and administered by the regional transmission entity of which the utility is a member." Pursuant to Code § 56-585.1 A 7, the Commission must issue a final order in this matter not more than three months after the date of filing.

In its Application, APCo states that the transmission costs sought by the Company fall within the definition of costs deemed reasonable and prudent by Subsection A 4.<sup>3</sup> APCo requests a total annual transmission revenue requirement of approximately \$368.1 million, which the Company indicates consists of: (a) a forecast Virginia jurisdictional current-period formula rate revenue requirement of \$338 million for the Rate Year, based on FERC-approved PJM<sup>4</sup> rates for transmission service that went into effect on January 1, 2022; (b) a cumulative Virginia jurisdictional actual under-recovery, or true-up, of \$19.5 million as of February 28, 2022; (c) a forecast Virginia jurisdictional under-recovery amount of \$7.4 million for the period March 2022 - July 2022; and (d) a forecast Virginia jurisdictional revenue requirement of \$3.2 million associated with a pilot program established pursuant to the Code § 56-585.1:10 specific to the Berry Hill and Commonwealth Crossing Industrial Parks.<sup>5</sup> APCo states that its proposed revenue requirement is an increase of approximately \$31 million from the annual T-RAC revenue requirement approved by the Commission in 2021.<sup>6</sup> APCo states that its proposed T-RAC rates would increase the monthly bill for a residential customer using 1,000 kilowatt hours per month by \$2.88.<sup>7</sup>

On April 15, 2022, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; directed the Company to publish notice of the Application; provided any interested person an opportunity to file comments on the Application or participate in this proceeding as a respondent by filing a notice of participation; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits containing Staff's findings and recommendations; scheduled a public hearing to receive the testimony of public witnesses and the evidence of the Company, any respondents, and Staff; and appointed a hearing examiner to conduct all further proceedings in this matter on behalf of the Commission, including filing a final report.

Notices of Participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") and the Old Dominion Committee for Fair Utility Rates.

On May 20, 2022, Staff filed testimony recommending an annual T-RAC revenue requirement of \$368,081,649, as proposed by the Company.<sup>8</sup>

On May 26, 2022, APCo filed a letter with the Commission giving notice that it would not file rebuttal testimony.<sup>9</sup>

No public witnesses signed up to testify at the hearing scheduled for June 8, 2022, and the public witness hearing was accordingly canceled.<sup>10</sup> The Company, Staff, and Consumer Counsel participated in the evidentiary hearing on June 9, 2022.

<sup>1</sup> See Ex. 2 (Application) at 1.

<sup>2</sup> *Id.* at 3.

<sup>3</sup> *Id.* at 2.

<sup>4</sup> PJM Interconnection LLC ("PJM").

<sup>5</sup> Ex. 2 (Application) at 3-4.

<sup>6</sup> *Id.* at 4.

<sup>7</sup> *Id.*

<sup>8</sup> Ex. 9 (Carr) at 3.

<sup>9</sup> Letter Stating that APCo Will Not File Rebuttal Testimony (May 26, 2022).

<sup>10</sup> The Commission received two written public comments on the Company's Application, one expressing concern about possible inattention to meter accuracy in the face of bill increases, and another from the Tazewell County Board of Supervisors who filed in opposition to the proposed increase.

On June 15, 2022, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report"), was filed. In his Report, the Senior Hearing Examiner summarized the record in this proceeding and recommended that the Commission approve a total annual T-RAC revenue requirement of \$368,081,649.<sup>11</sup> The Senior Hearing Examiner found that this revenue requirement "is consistent with § 56-585.1 A 4 of the Code as it is designed to recover the transmission costs for transmission services provided to the utility by PJM, as determined under applicable rates, terms and conditions approved by FERC."<sup>12</sup>

On June 22, 2022, APCo filed a letter stating that the Company supports the Senior Hearing Examiner's findings, and requesting that the Commission adopt the Senior Hearing Examiner's findings and recommendations. Similarly, on June 22, 2022, Staff filed a letter requesting that the Commission adopt the Senior Hearing Examiner's findings and recommendations. Finally, on June 22, 2022, Consumer Counsel filed comments stating it did not oppose the findings and recommendations in the Report, because "notwithstanding the burden this rate increase may impose on many of APCo's customers, Consumer Counsel is unable to challenge the Company's request under Virginia statutory law."<sup>13</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the T-RAC revenue requirement of \$368,081,649, as proposed in the Application and uncontested by Staff and the respondents, is approved.

Accordingly, IT IS ORDERED THAT:

(1) Rider T-RAC, as approved herein, shall become effective for service rendered on and after August 1, 2022.

(2) The Company shall forthwith file revised tariffs and terms and conditions of service and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives and findings set forth in this Final Order. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(3) This matter is dismissed

<sup>11</sup> Report at 10.

<sup>12</sup> *Id.*

<sup>13</sup> Consumer Counsel Comments at 1-2.

**CASE NO. PUR-2022-00015  
MARCH 28, 2022**

JOINT PETITION OF  
AMERICAN OPERATIONS CORPORATION, JLC COMMUNICATIONS I LLC, JLC INFRASTRUCTURE FUND I L.P.,  
JLC DC HOLDCO LLC, and AOC CONNECT, LLC

For approval of the transfer of indirect control of AOC Connect, LLC from American Operations Corporation to JLC DC Holdco LLC

**ORDER GRANTING APPROVAL**

On February 2, 2022, American Operations Corporation ("AOC"), JLC Communications I LLC, JLC DC Holdco LLC ("JLC"), JLC Infrastructure Fund I L.P. ("JLC Infrastructure"), and AOC Connect, LLC ("AOC Connect" or "Company"), (collectively, "Petitioners"),<sup>1</sup> filed a joint petition ("Petition") with the State Corporation Commission ("Commission") pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>2</sup> requesting approval of a transfer of control ("Transfer"), whereby JLC will acquire AOC and its subsidiaries, with the result that JLC will hold a 100% indirect membership interest in AOC Connect. The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*

According to the Petition, AOC Connect is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission.<sup>3</sup> Pursuant to a January 27, 2022 Purchase Agreement filed confidentially and under seal with the Petition, following completion of the proposed Transfer, AOC Connect will become a wholly owned indirect subsidiary of JLC and its parent companies.

The Petitioners assert that the proposed Transfer will strengthen the financial position of AOC Connect by providing access to capital from new funding sources, which will enable accelerated investment in the Company's networks and the deployment of expanded services to customers. The Petitioners further state that AOC Connect will continue to provide services to its existing customers at the same rates, terms, and conditions as currently provided. Lastly, information provided with the Petition indicates AOC Connect will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the control of JLC and its parent companies following the completion of the proposed Transfer.

<sup>1</sup> Gina Field and L. Frank Field are also considered Petitioners in this proceeding and have provided the statutorily required verifications.

<sup>2</sup> Code § 56-88 *et seq.*

<sup>3</sup> See *Application of MFN Global Services LLC, For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services and to reissue certificates reflecting new corporate name*, Case No. PUC-2006-00104, 2006 S.C.C. Ann. Rept. 274, Final Order (Aug. 29, 2006).

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its action brief, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and therefore should be denied.<sup>4</sup>

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.
- (2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.
- (3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.
- (4) This case is dismissed.

<sup>4</sup> The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information, to which the Motion pertains, under seal.

**CASE NO. PUR-2022-00016  
MARCH 28, 2022**

JOINT APPLICATION OF  
KKR AUBERGINE INC., KKR & CO. INC., and METRO FIBERNET, LLC

For approval of proposed changes in indirect minority ownership and control of Metro FiberNet, LLC, pursuant to Va. Code § 56-88 *et seq.*

**ORDER GRANTING APPROVAL**

On February 2, 2022, KKR Aubergine Inc. ("New KKR Parent"), KKR & Co. Inc. ("Old KKR Pubco"), and Metro FiberNet, LLC ("MFN") (collectively, "Applicants"),<sup>1</sup> filed a Joint Application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>2</sup> requesting approval of proposed changes in indirect minority ownership and control of MFN ("Transfer").

MFN is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission in Case No. PUR-2020-00285.<sup>3</sup> As described in the Application, the proposed Transfer will be accomplished pursuant to a Reorganization Agreement, which will ultimately result in the transfer of indirect control of MFN from Old KKR Pubco to New KKR Parent.

The Applicants assert that the proposed Transfer will occur at the parent company level only and will not involve any change in the direct ownership of MFN by Holdings. The Applicants further state that MFN will continue to provide services to its customers without any immediate changes to the rates, terms or conditions of service as currently provided. Lastly, the Applicants represent that MFN will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved.

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Transfer as described herein.
- (2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.
- (3) This case is dismissed.

<sup>1</sup> MetroNet Holdings, LLC ("Holdings"); Metro Buyer Blocker Parent Corp.; OHCP MGP V, Ltd.; KKR Aubergine Merger Sub II LLC; KKR Group Holdings Corp.; KKR Group Partnership L.P.; KKR Financial Holdings LLC; KKR Infrastructure III Holdings AIV Limited; KKR Infrastructure III AIV S.à r.l.; KKR Associates Infrastructure III AIV SCSp; KKR Global Infrastructure Investors III (Knox) Direct L.P.; KKR Knox Aggregator LLC; KKR Knox Aggregator (Electing) L.P.; and KKR Knox Aggregator (Direct) L.P., are also considered Applicants and have provided the statutorily required verifications.

<sup>2</sup> Code § 56-88 *et seq.*

<sup>3</sup> *Application of Metro Fibernet, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2020-00285, Doc. Con. Cen. No. 210550088, Final Order (May 25, 2021).

**CASE NO. PUR-2022-00017  
APRIL 14, 2022**

APPLICATION OF  
VA SHARED SOLAR, LLC

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On February 4, 2022, VA Shared Solar, LLC ("VA Shared Solar" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia. The Company seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, the Company attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>1</sup>

On February 18, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before February 22, 2022, and to file proof of service on or before March 1, 2022. On February 22, 2022, the Company filed its proof of service. Dominion filed a notice of participation on March 7, 2022.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before March 8, 2022. No comments were filed.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before March 15, 2022. On March 15, 2022, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.<sup>2</sup> Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.<sup>3</sup>

NOW THE COMMISSION, upon consideration of this matter, finds that VA Shared Solar's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) VA Shared Solar is hereby granted license No. SS-19 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.
- (2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

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<sup>1</sup> 20 VAC 5-340-10 *et seq.*

<sup>2</sup> Report at 4-5.

<sup>3</sup> *Id.* at 5.

**CASE NO. PUR-2022-00018  
FEBRUARY 28, 2022**

APPLICATION OF  
VIRGINIA NATURAL GAS, INC. and THE SOUTHERN COMPANY

For approval to enter into a tax allocation agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING INTERIM AUTHORITY**

On February 8, 2022, Virginia Natural Gas, Inc. ("VNG") and The Southern Company ("Southern") (collectively, "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval for VNG to enter into an income tax allocation agreement ("Tax Agreement") with Southern pursuant to Chapter 4 of Title 56<sup>1</sup> of the Code of Virginia.

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<sup>1</sup> Code § 56-76 *et seq.*



Concurrent with the Application, the Applicants filed a Motion for Interim Authority and for Expedited Consideration ("Motion"). In support of their Motion, the Applicants state that the Tax Agreement between VNG and Southern was approved by the Commission for a period of five years, through January 17, 2022, in Case No. PUE-2016-00125.<sup>2</sup> The Applicants further state that, due to an administrative oversight, the Applicants did not file an application to extend the Tax Agreement prior to the expiration of authority granted in the 2017 Order.<sup>3</sup> In the Motion, the Applicants request that the Commission grant the Applicants interim authority to enter into the Tax Agreement until the Commission has an opportunity to act upon the Application, and that this authority be granted on an expedited basis.<sup>4</sup> The Applicants seek to extend the Tax Agreement for five years effective as of the date of the Commission's final order in this proceeding.<sup>5</sup> Apart from the new term, the Applicants represent that they are not proposing any changes to the Tax Agreement.<sup>6</sup>

NOW THE COMMISSION, upon consideration of the foregoing and being advised by the Staff of the Commission, finds that granting interim authority while the Application is under review is not detrimental to the public interest. Therefore, the Applicants' request for interim authority is granted subject to the Commission's final order in this proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is hereby docketed and assigned Case No. PUR-2022-00018
- (2) The Applicants' are granted interim authority to enter into the Tax Agreement.
- (3) This case is continued pending final order of the Commission.

<sup>2</sup> Motion at 2. See *Application of Virginia Natural Gas, Inc. and The Southern Company, For approval to enter into a tax allocation agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00125, 2017 S.C.C. Ann. Rept. 399, Order Granting Approval (Jan. 17, 2017) ("2017 Order").

<sup>3</sup> Motion at 2.

<sup>4</sup> *Id.* at 1.

<sup>5</sup> Application at 4.

<sup>6</sup> *Id.*

**CASE NO. PUR-2022-00018  
APRIL 1, 2022**

APPLICATION OF  
VIRGINIA NATURAL GAS, INC. and THE SOUTHERN COMPANY

For approval to enter into a tax allocation agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On February 8, 2022, Virginia Natural Gas, Inc. ("VNG"), and The Southern Company ("Southern") (collectively, "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission") to request renewed approval pursuant to Chapter 4 of Title 56.1 of the Code of Virginia ("Code")<sup>1</sup> for VNG to enter into a consolidated group ("Group") income tax allocation agreement ("Tax Agreement") with Southern.<sup>2</sup> Concurrent with the Application, the Applicants filed a Motion for Interim Authority and for Expedited Consideration ("Motion") stating that due to an administrative oversight the Applicants had inadvertently allowed the authority granted in the 2017 Order to lapse. On February 28, 2022, the Commission issued an Order Granting Interim Authority ("February 28 Order"). On March 17, 2022, in response to a Commission Staff ("Staff") inquiry, the Applicants made an errata filing to correct the Tax Agreement to include 14 member ("Member") amendments and a state income tax addendum ("SIT Addendum") that were inadvertently omitted from the Application. The Applicants represent that, apart from the new Member amendments adding and deleting Members, there are no changes to the previously approved Tax Agreement.

<sup>1</sup> Code § 56-76 *et seq.*

<sup>2</sup> The current Tax Agreement was approved in Case No. PUE-2016-00125. See *Application of Virginia Natural Gas, Inc., and The Southern Company, For approval to enter into a tax allocation agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00125, 2017 S.C.C. Ann. Rept. 399, Order Granting Approval (Jan. 17, 2017) ("2017 Order").

The proposed Tax Agreement provides for Southern to file a consolidated federal income tax ("FIT") return and various combined and separate state income tax ("SIT") returns for the Group and describes the methods for allocating the FIT and SIT liabilities among the Group's Members. The Tax Agreement was initially executed on December 29, 1981, and has subsequently been amended 123 times, primarily to add new Southern affiliates. The following major amendments impacted the allocation procedures: (1) on April 19, 1988, the Tax Agreement was amended to reflect changes in the apportionment of corporate tax credits;<sup>3</sup> (2) on December 15, 2005, the Tax Agreement was amended: (i) to reflect current provisions of the Internal Revenue Code ("IRC"); (ii) to provide for the allocation of consolidated tax and corporate tax credits to Southern Company Services; (iii) to eliminate a provision that would reallocate certain corporate tax credits to Southern and Southern Company Services; and (iv) to provide for the allocation of the alternative minimum tax as defined by the IRC.<sup>4</sup> The Tax Agreement has 67 Members,<sup>5</sup> and will be effective for all taxable years ending on or after July 1, 2016.

The Tax Agreement provides that the aggregate tax liability (after investment tax credits) allocated to Southern's subsidiaries, including VNG, will not exceed the separate return tax liability of the subsidiaries. The Applicants further represent that the practical effect of the Tax Agreement is that a portion of Southern's consolidated tax benefits are allocated to its subsidiaries with positive taxable income ("PTI Companies"), such as VNG.<sup>6</sup> Therefore, the PTI Companies will pay less than their separate return tax liability for the tax year, and Southern will not receive full payment for the tax benefits recorded on its balance sheet.<sup>7</sup> As a result, both Southern and the PTI companies will book tax benefits or tax liabilities that will not be received or paid, leaving a balance to be adjusted.<sup>8</sup>

NOW THE COMMISSION, upon consideration of the Application and having been advised by the Staff of the Commission through its action brief and having considered the Applicants' comments thereon, is of the opinion and finds that the Tax Agreement is in the public interest and should be approved subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code § 56-77, the Tax Agreement is approved subject to the requirements listed in the Appendix attached to this Order.
- 2) The interim authority granted in the February 28 Order is cancelled.
- (3) This case is dismissed.

<sup>3</sup> See Application, Exhibit B, Eighth Amendment, at 17-23.

<sup>4</sup> See Application, Exhibit B, One Hundred Fifteenth Amendment, at 131-34.

<sup>5</sup> See Response to Staff Data Request 1(2) attached to Staff's action brief, which is filed concurrently with this Order.

<sup>6</sup> See Application at 5.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

#### APPENDIX

1) For Virginia regulatory purposes, the Applicants shall file the SIT Addendum, approved in the 2017 Order, with the approved Tax Agreement in this case to memorialize that the allocation of state income tax liabilities among the Members is performed according to the same allocation principles applicable to federal income tax liabilities. The Applicants shall also submit to the Commission's Division of Utility Accounting and Finance ("UAF") Director a written narrative describing the Group's allocation of state income tax liabilities and how the allocation of such liabilities is specifically applied to VNG.

2) VNG shall develop tax schedules reconciling VNG's total and Virginia jurisdictional federal and state current income tax expense, federal and state deferred income tax expense, and individual accumulated deferred federal and state income tax assets and liabilities, between amounts computed on a standalone basis and on a per books basis as of the end of the test period, as required in Schedule 36 of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Gas and Water Utilities, 20 VAC 5-201-10 *et seq.*, to be submitted to UAF on an annual basis as a companion document to VNG's annual informational filing or any base rate application for a period of five (5) years following the effective date of the Order Granting Approval in this case.

3) The Commission's approval of the Tax Agreement shall extend for five (5) years from the effective date of the Order Granting Approval in this case. If the Applicants wish to continue the Tax Agreement beyond that date, separate approval shall be required.

4) The Commission's approval shall have no accounting or ratemaking implications.

5) Separate approval shall be required for any changes in the terms and conditions of the Tax Agreement.

6) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

7) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by the Commission.

8) The Applicants shall file an executed copy of the approved Tax Agreement within sixty (60) days of the effective date of the Order Granting Approval in this case, subject to administrative extension by the Commission's UAF Director.

9) VNG shall include in its Annual Report of Affiliate Transactions, submitted to the UAF Director by May 1 of each year, a brief notice referencing this case by case number, case description, Order Granting Approval date, and order expiration date, and list Members added or deleted since the most recent order.

**CASE NO. PUR-2022-00019  
MARCH 30, 2022**

APPLICATION OF

CENTRAL VIRGINIA ELECTRIC COOPERATIVE and CENTRAL VIRGINIA SERVICES, INC.

For approval pursuant to Title 56, Chapter 3 and Chapter 4 of the Code of Virginia

**FINAL ORDER**

On February 8, 2022, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") and Central Virginia Services, Inc. ("CVSI") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 3<sup>1</sup> and Chapter 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code"), paid the requisite filing fee of \$250, and filed the verified signatures required to complete the Application. On February 28, 2022, the Commission issued an order extending the time for review by 30 days.

Applicants request approval for CVEC to provide a guarantee ("Guarantee Agreement") in connection with two loans to CVSI ("Loans") from CoBank, ACB ("CoBank"), totaling approximately \$30,000,000. The Loan funds will be used by CVSI to help finance expansion of the Firefly Fiber Broadband ("Firefly") network to communities surrounding CVEC's electric service territory in Connect America Fund ("CAF") census blocks and Rural Digital Opportunity Fund ("RDOF") census blocks.<sup>3</sup> The Applicants represent that further extension of the Firefly fiber optic network in order to provide broadband internet service to rural areas of the Commonwealth is consistent with the public interest.

The requested authority is consistent with prior approvals granted by the Commission in Case Nos. PUR-2018-00113,<sup>4</sup> PUR-2018-00152 and PUR-2019-00017.<sup>5</sup> The Commission's staff ("Staff") also reviewed CVEC's current cumulative obligations authorized and incurred on behalf of CVSI, along with the cumulative projected level of such obligations inclusive of the authority requested. Staff concluded that the authority requested in this case would not unduly jeopardize CVEC's ability to attract capital or meet its public service obligations.

NOW THE COMMISSION, upon consideration of the Application, having been advised by its Staff through its action brief, and considering the Cooperative's response thereto, is of the opinion and finds that approval of the Application is in the public interest, subject to the requirements set forth in this Order and the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Chapters 3 and 4, CVEC is hereby granted approval to enter into the Guarantee Agreement for up to \$30,000,000 of CVSI Loans from CoBank for the purposes noted in the Application and subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is hereby dismissed.

<sup>1</sup> Code § 56-55 *et seq.*

<sup>2</sup> Code § 56-76 *et seq.*

<sup>3</sup> CAF and RDOF are both grant funding programs of the Federal Communications Commission that are intended to support the expansion of broadband service to unserved and underserved areas.

<sup>4</sup> The Commission approved affiliate agreements for the provision of broadband services by CVSI to CVEC in Case No. PUR-2018-00113. *See Application of Central Virginia Electric Cooperative and Central Virginia Services, Inc., For approval of affiliate arrangements*, Case No. PUR-2018-00113, 2018 S.C.C. Ann. Rept. 476, Final Order (Oct. 23, 2018).

<sup>5</sup> In Case Nos. PUR-2018-00152 and PUR-2019-00117, the Commission approved guarantees by CVEC for certain loans and leases by CoBank to CVSI. *See Joint Application of Central Virginia Electric Cooperative and Central Virginia Services, Inc., For approval pursuant to Chapter 3 and Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2018-00152, 2018 S.C.C. Ann. Rept. 532, Final Order (Dec. 3, 2018); *Application of Central Virginia Electric Cooperative and Central Virginia Services, Inc., For approval pursuant to Chapter 3 and Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00017, 2019 S.C.C. Ann. Rept. 366, Final Order (Mar. 22, 2019).

**APPENDIX**

1. Separate approval shall be required for any changes to the Guarantee Agreement related to the Loans.
2. CVEC shall file with the Commission a signed and executed copy of the approved Guarantee Agreement within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").
3. CVEC shall update and report all cumulative, outstanding obligations incurred on behalf of CVSI during the year covered in its Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. Such report shall indicate the purpose and amount of each respective obligation, and when it is scheduled to end.

4. All costs, inclusive of attorney fees and filing fees, associated with obtaining and maintaining the Guarantee Agreement for the Loans to CVSI, shall be charged to CVSI, and the dates, accounts, and amounts of such transactions, as recorded on the books of CVEC and CVSI, shall be reported in CVEC's ARAT.

5. CVEC shall provide notice to the UAF Director within thirty (30) days of any payments made by CVEC on behalf of CVSI under the Guarantee Agreement, with the notice to indicate the purpose and amount of such payments.

6. The Commission's approval shall have no accounting or ratemaking implications.

7. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code § 56-76 *et seq.* hereafter.

8. The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

**CASE NO. PUR-2022-00020**  
**NOVEMBER 29, 2022**

PETITION OF  
APPALACHIAN POWER COMPANY

For approval of new broadband project and to implement a surcredit through its rate adjustment clause, BC-RAC, pursuant to § 56-585.1 A 6 and § 56-585.1:9 of the Code of Virginia

**FINAL ORDER**

On June 8, 2022, Appalachian Power Company ("APCo" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to § 56-585.1 A 6 and § 56-585.1:9 of the Code of Virginia ("Code"), seeking to amend a rate adjustment clause, designated the BC-RAC, and approval of a new project to make available broadband capacity to an Internet Service Provider ("ISP") in parts of Bland County and Montgomery County that are unserved by broadband ("Bland-Montgomery Broadband Project").<sup>1</sup> Specifically, APCo requested authority to implement a surcredit of approximately \$1.35 million through the BC-RAC to reflect the actual costs of providing broadband capacity under the Company's existing broadband project in Grayson County, as well as projected costs related to the Bland-Montgomery Broadband Project.<sup>2</sup> Pursuant to Code § 56-585.1:9, the Commission must issue a final order within six months of the date of filing.

According to the Petition, under the proposed Bland-Montgomery Broadband Project, APCo requested to expand middle-mile broadband capacity in the unserved areas of Bland and Montgomery counties, both in the southwestern part of Virginia.<sup>3</sup> The Company stated that the areas targeted by the Bland-Montgomery Broadband Project are unserved by broadband pursuant to Code § 56-585.1:9 D as the Virginia Telecommunication Initiative of the Department of Housing and Community Development has issued a grant or loan to construct a broadband service project within the last 18 months, and the grant or loan recipient is the ISP to which APCo proposes to lease capacity.<sup>4</sup>

The Company stated that the Bland-Montgomery Broadband Project entails the installation of approximately 233 miles of 96-strand fiber optic cable on the Company's distribution system, which will also provide a communications platform for APCo's own distribution grid network backhaul requirements.<sup>5</sup> The Company stated that it will lease a portion of the middle-mile broadband infrastructure to GigaBeam Networks LLC, the ISP selected by the counties to provide service to unserved areas in Bland and Montgomery counties.<sup>6</sup> APCo stated that the estimated capital investment for the Bland-Montgomery Broadband Project is approximately \$37.1 million.<sup>7</sup>

APCo proposed to implement an approximately \$1.35 million surcredit beginning February 1, 2023, and ending January 31, 2024 ("Rate Year").<sup>8</sup>

On June 27, 2022, the Commission entered an Order for Notice and Hearing that, among other things, docketed this matter; directed APCo to provide public notice of its Petition; scheduled hearings for the purpose of receiving testimony and evidence on the Petition; provided interested persons an opportunity to file comments on the Petition or to participate as respondents in this proceeding; directed Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

<sup>1</sup> Ex. 2 (Petition) at 1.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at 5.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 6.

<sup>6</sup> *Id.* at 5; Ex. 3 (Cox Direct) at 4.

<sup>7</sup> Ex. 2 (Petition) at 6.

<sup>8</sup> *Id.* at 2.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

A notice of participation was filed by the Virginia Cable Telecommunications Association on August 3, 2022. Staff filed testimony on August 31, 2022. On September 14, 2022, APCo filed a letter indicating that it would not file rebuttal testimony. On September 29, 2022, the Company filed supplemental testimony. The Commission also received written public comments on the Petition.

The public witness hearing was scheduled to convene telephonically on October 5, 2022 but was canceled because no public witnesses signed up to testify.<sup>9</sup> The evidentiary hearing was convened on October 6, 2022 in the Commission's courtroom. Counsel for APCo and Staff appeared at the hearing.<sup>10</sup>

The Hearing Examiner issued the Report of Mary Beth Adams, Hearing Examiner ("Report"), in this matter on October 14, 2022. In the Report, the Hearing Examiner made the following findings:

1. The Commission should approve the Company's proposed Bland-Montgomery Broadband Project, conditioned upon construction commencing within 18 months of such Commission approval;
2. The Commission should approve an updated BC-RAC with a Rate Year revenue requirement of \$(1,657,608), and consisting of a Projected Cost Recovery Factor of \$2,614,000; a Bridge Factor of \$(2,927,000); and an Actual Cost True-Up Factor of \$(1,344,000);
3. The Commission should approve the Company's cost allocation and rate design methodologies as supported by APCo witness Keeton;
4. Pursuant to Subsection D of Code § 56-585.1:9, the Commission should also condition approval of the Petition on the requirement that the Company and its ISP submit certain progress reports until construction is completed. The Company did not oppose Staff's reporting recommendations, which exceed the reporting requirements placed upon the Company by Subsection D of Code § 56-585.1:9. Therefore, I recommend the Commission require the Company to submit biannual BC-RAC reports summarizing the progress of each approved project, including the information outlined by Staff witness Joshipura; and
5. The Commission should require the Company to include in its next BC-RAC filing a recalculation of the estimated lifetime revenue requirement excluding the advanced metering infrastructure and distribution automation/circuit reconfiguration costs.<sup>11</sup>

Accordingly, the Hearing Examiner recommended that the Commission enter an order (1) adopting the findings of the Report; (2) approving the Company's Petition, including the Bland-Montgomery Broadband Project and the BC-RAC, consistent with the findings and recommendations in the Report; and (3) dismissing this case.<sup>12</sup>

On October 28, 2022, APCo and Staff filed comments on the Report. APCo stated that it supports the Hearing Examiner's findings. Staff requested that the Commission adopt the Hearing Examiner's findings and recommendations.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Hearing Examiner's findings and recommendations contained in the Report should be adopted. We agree that an updated BC-RAC with a Rate Year revenue requirement of \$(1,657,608), consisting of a Projected Cost Recovery Factor of \$2,614,000, a Bridge Factor of \$(2,927,000), and an Actual Cost True-Up Factor of \$(1,344,000), is appropriate and should be approved.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations set forth in the Hearing Examiner's Report are hereby adopted as set forth herein.
- (2) The BC-RAC is approved as described herein with a revenue requirement in the amount of \$(1,657,608) for the Rate Year.
- (3) The BC-RAC, as approved herein, shall be effective for usage on and after sixty (60) days following issuance of this Order, or, at the Company's option, shall be effective for usage on and after February 1, 2023.
- (4) The Company forthwith shall file a revised BC-RAC and supporting workpapers with the Clerk of the Commission and shall submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (5) The Bland-Montgomery Broadband Project is hereby approved, provided that construction commences within 18 months of the date of this Final Order.
- (6) The approval granted herein is conditioned on the requirement that the Company and its ISP submit certain progress reports until construction is completed. Specifically, the Company shall submit biannual BC-RAC reports summarizing the progress of each approved project, including the information outlined by Staff.

<sup>9</sup> Tr. 5-6.

<sup>10</sup> The Virginia Cable Telecommunications Association sought and received permission to be excused from the evidentiary hearing.

<sup>11</sup> Report at 17.

<sup>12</sup> *Id.* at 17-18.

(7) APCo shall include in its next BC-RAC filing a recalculation of the estimated lifetime revenue requirement excluding the advanced metering infrastructure and distribution automation/circuit reconfiguration costs.

(8) This case is dismissed.

**CASE NO. PUR-2022-00021  
JULY 15, 2022**

APPLICATION OF  
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

**ORDER ESTABLISHING 2022-2023 FUEL FACTOR**

On February 15, 2022, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed with the State Corporation Commission ("Commission"), pursuant to § 56-249.6 of the Code of Virginia, its application, written testimony, and exhibits proposing to increase its levelized fuel factor by \$0.00615 per kilowatt-hour ("kWh") from \$0.02331 per kWh to \$0.02946 per kWh, effective for service rendered on and after April 1, 2022 ("Application").<sup>1</sup>

On March 3, 2022, the Commission issued an Order Establishing 2022-2023 Fuel Factor Proceeding that, among other things: (1) assigned a Hearing Examiner to conduct all further proceedings; (2) scheduled a hearing on the Company's Application; (3) required KU/ODP to provide public notice of its Application; and (4) directed the Company to place its proposed fuel factor into effect on an interim basis for service rendered on and after April 1, 2022.

On April 27, 2022, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation. The Commission received two written public comments. No respondent testimony was filed in this proceeding.

On May 6, 2022, the Staff of the Commission ("Staff") filed testimony concluding that the Company's projected Virginia jurisdictional fuel expenses and sales for the forecast period were reasonable.<sup>2</sup> Staff recommended that the Commission approve the levelized fuel factor of \$0.02946 per kWh as proposed by KU/ODP and put into effect on an interim basis for service rendered on and after April 1, 2022.<sup>3</sup> On May 17, 2022, KU/ODP filed rebuttal testimony indicating that the Company did not contest any of the findings or recommendations presented in Staff's testimony.<sup>4</sup>

The evidentiary hearing was convened virtually, with no party present in the Commission's courtroom, on June 2, 2022. KU/ODP, Consumer Counsel, and Staff participated at the hearing. The telephonic public witness hearing scheduled for June 1, 2022, was canceled because no public witnesses registered to testify at the hearing.<sup>5</sup>

On June 17, 2022, the Hearing Examiner issued the Report of D. Mathias Roussy, Jr., Hearing Examiner. In his Report, the Hearing Examiner found that the record supports approval of the Company's proposed fuel factor of \$0.02946 per kWh for service rendered on and after April 1, 2022.<sup>6</sup> Accordingly, the Hearing Examiner recommended that the Commission enter an order that (1) adopts the findings in the Report, (2) approves the proposed fuel factor of \$0.02946 per kWh for service rendered on and after April 1, 2022, and (3) continues this case generally, pending audit and investigation of the Company's actual fuel expenses.<sup>7</sup>

On June 24, 2022, Consumer Counsel, KU/ODP, and Staff filed comments on the Report supporting or not opposing its findings and recommendations.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations set forth in the Report should be adopted. Accordingly, we find that setting the Company's fuel factor at \$0.02946 per kWh is reasonable and appropriate. We find that this rate, now in effect on an interim basis, should be approved and remain in effect pending further order of the Commission.

In approving this previously implemented interim increase in the fuel factor, the Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to any rate case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

<sup>1</sup> Ex. 2 (Application) at 1, 6.

<sup>2</sup> Ex. 8 (Tufaro Direct) at 14.

<sup>3</sup> *Id.*

<sup>4</sup> Ex. 9 (Fackler Rebuttal) at 3.

<sup>5</sup> Tr. 4.

<sup>6</sup> Report at 16.

<sup>7</sup> *Id.*

We further note that our approval of the fuel factor should not be construed as approval of KU/ODP's actual fuel expenses. No finding in this Order Establishing Fuel Factor is final, as this matter is continued pending the Staff's audit of actual fuel expenses and the Commission's entry of a final order addressing the Company's fuel recovery position. Should the Commission find that (1) any component of KU/ODP's actual fuel expenses or credits has been included or excluded inappropriately, or (2) KU/ODP has failed to make every reasonable effort to minimize costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of KU/ODP's next fuel factor proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations set forth in the Report are hereby adopted.
- (2) The proposed fuel factor of \$0.02946 per kWh, placed into effect on an interim basis for service rendered on and after April 1, 2022, is approved and shall remain in effect pending further order of the Commission.
- (3) This case is continued.

**CASE NO. PUR-2022-00022**  
**APRIL 28, 2022**

APPLICATION OF  
VIA ENERGY SOLUTIONS, LLC

For a license to conduct business as a competitive service provider

**ORDER GRANTING LICENSE**

On February 17, 2022, Via Energy Solutions, LLC ("Via Energy" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider. The Company seeks authority to provide electric aggregation service to eligible residential, commercial, industrial, and governmental customers in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company ("APCo"), and Kentucky Utilities Company d/b/a Old Dominion Power Company.<sup>1</sup> Via Energy also seeks authority to provide natural gas aggregation service to eligible residential, commercial, industrial, and governmental customers in the service territories of Columbia Gas of Virginia ("Columbia"), Washington Gas Light Company ("WGL"), Southwestern Virginia Gas Company, and Virginia Natural Gas.<sup>2</sup> In its Application, the Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").<sup>3</sup>

On March 7, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon the utilities listed on Attachment A of the Procedural Order on or before March 15, 2022, and to file proof of service on or before March 22, 2022. On March 22, 2022, the Company filed its proof of service. Dominion filed a notice of participation on March 29, 2022.

The Procedural Order also directed that any comments in the matter be filed with the Clerk of the Commission on or before March 29, 2022. On March 29, 2022, Dominion filed comments in the case.

The Procedural Order further directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report") on or before April 5, 2022. As directed, Staff filed its Report, which summarized Via Energy's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Via Energy be granted a license to conduct business as an electric aggregator to eligible commercial, industrial, governmental, and residential customers in the service territories of Dominion and APCo, and to act as an aggregator for natural gas to eligible commercial, industrial, governmental, and residential customers in the service territories of Columbia and WGL.<sup>4</sup>

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Via Energy's Application for a license to provide competitive electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) Via Energy is hereby granted license No. A-126 to provide electric aggregation services to eligible residential, commercial, industrial, and governmental customers in the service territories of Dominion and APCo, and to act as an aggregator for natural gas to eligible commercial, industrial, governmental, and residential customers in the service territories of Columbia and WGL. This license to act as a competitive service provider is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

<sup>1</sup> Retail choice for electricity exists only in the service territories of Dominion, APCo, and the electric cooperatives. Moreover, retail choice for electricity is permitted only pursuant to the customer classes, load parameter, and renewable energy sources as set forth in the Code of Virginia.

<sup>2</sup> Retail choice for natural gas service presently exists only in the service territories of WGL and Columbia. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

<sup>3</sup> 20 VAC 5-312-10 *et seq.*

<sup>4</sup> Report at 5.

- (2) This license is not valid authority for the provision of any product or service not identified within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

**CASE NO. PUR-2022-00025  
MAY 11, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and SOL MADISON SOLAR, LLC

For approval to enter into an easement agreement pursuant to the Affiliates Act, Va. Code § 56-76, *et seq.*

**ORDER GRANTING APPROVAL**

On February 18, 2022, Virginia Electric and Power Company ("Dominion Energy Virginia" or "Company") and Sol Madison Solar, LLC ("Madison Solar"), filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 4<sup>1</sup> of Title 56 of the Code of Virginia ("Code") for approval to enter into an easement agreement ("Agreement").

The Application states that Madison Solar is a Delaware limited liability company formed by an unaffiliated third party to own, develop, and operate a 62.5-megawatt merchant solar facility situated on approximately 660 acres in Orange County, Virginia ("Facility").<sup>2</sup> Per the Application, Madison Solar was acquired by Dominion Energy Virginia's parent company, Dominion Energy, Inc. ("DEI"), in 2020.<sup>3</sup>

According to the Application, under the proposed Agreement, Madison Solar will grant five easements over its Facility property to Dominion Energy Virginia to facilitate the Company's construction, maintenance, and operation of one or more substations (collectively, "Substations").<sup>4</sup> The Application states that the Substations are needed to interconnect the Facility with Dominion Energy Virginia's electric transmission system.<sup>5</sup> The five easements are a Substation Easement, Access Easement, Stormwater Easement, Transmission Easement, and Construction Easement (collectively, "Easements").<sup>6</sup> The Company will pay a nominal consideration of \$10 in exchange for the Easements.<sup>7</sup>

According to the Application, Madison Solar obtained a permit by rule ("PBR") from the Virginia Department of Environmental Quality pursuant to Code §§ 10.1-1197.5 through 10.1-1197.11.<sup>8</sup> The Virginia Department of Environmental Quality reportedly issued the PBR on April 23, 2019, before DEI acquired Madison Solar from the original developer.<sup>9</sup> The Company asserts that it will follow environmental and wetlands mitigation rules and regulations as they apply to the Easements.<sup>10</sup>

The Facility is owned and operated by DEI.<sup>11</sup> The Application states that Madison Solar has a virtual power purchase agreement with Northrop Grumman, under which Northrop Grumman will receive the renewable energy certificates associated with the Facility's renewable energy, and Madison Solar will sell the physical power generated by the Facility into PJM Interconnection, LLC's wholesale energy market.<sup>12</sup>

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Company's comments thereon, is of the opinion and finds that the Agreement is in the public interest and should be approved subject to the requirements listed in the Appendix attached to this Order.

<sup>1</sup> § 56-76 *et seq.* ("Affiliates Act").

<sup>2</sup> Application at 2.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 3.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 3-4.

<sup>7</sup> *Id.* at 4.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at Attachment B, p. 3-4.

<sup>11</sup> *Id.* at 5.

<sup>12</sup> *Id.* at 4.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Accordingly, IT IS ORDERED THAT:

- (1) The Agreement is approved subject to the requirements listed in the Appendix attached to this Order.
- (2) This case is dismissed.

## APPENDIX

- 1) The Commission's approval of the Agreement shall extend for five (5) years from the effective date of the Order Granting Approval in this case. If Dominion Energy Virginia wishes to continue under the Agreement beyond that date, separate approval shall be required.
- 2) The Commission's approval shall have no accounting or ratemaking implications.
- 3) The Commission's approval shall be specifically limited to the Easements identified and described in the Agreement. If Dominion Energy Virginia wishes to enter into other easements not specifically identified and described in the Agreement, separate approval shall be required.
- 4) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76, *et seq.* hereafter.
- 5) Separate Commission approval shall be required for any changes in the terms and conditions of the Agreement.
- 6) The Commission shall reserve the right to examine the books and records of Dominion Energy Virginia and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.
- 7) Dominion Energy Virginia shall file a copy of the approved Agreement within thirty (30) days after the effective date of the Order Granting Approval in this case, subject to administrative extension by the Director of the Division of Utility Accounting and Finance ("UAF Director").
- 8) Dominion Energy Virginia shall include all transactions associated with the Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:
  - (a) List the latest case number in which the Agreement was approved; and
  - (b) List Dominion Energy Virginia, the affiliate(s), and the easements.

**CASE NO. PUR-2022-00026  
JUNE 9, 2022**

APPLICATION OF  
APB PARTNERS CULPEPER, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On February 18, 2022, APB Partners Culpeper, LLC ("APB Culpeper" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications services in the Commonwealth of Virginia. The Company also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

On March 9, 2022, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed APB Culpeper to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On May 5, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On May 13, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.* Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to APB Culpeper subject to the following condition: APB Culpeper should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant a Certificate to APB Culpeper. Further, the Commission finds that the Company's Motion is moot; therefore, the Motion should be denied.<sup>2</sup>

Accordingly, IT IS ORDERED THAT:

<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(1) APB Culpeper is hereby granted Certificate No. T-790 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If APB Culpeper elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(3) APB Culpeper shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(4) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

**CASE NO. PUR-2022-00027  
OCTOBER 14, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Nimbus 230 kV Line Loop and Nimbus Substation and 230 kV Farmwell-Nimbus Transmission Line

**FINAL ORDER**

On February 23, 2022, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval and certification of electric transmission facilities in Loudoun County, Virginia. Dominion filed its Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

Specifically, Dominion proposes to complete the following, which is collectively referred to as the "Project":<sup>1</sup>

- Construct a new overhead 230 kV double circuit line by cutting existing Beaumeade-Buttermilk Line #2152 at Structure #2152/19A ("Nimbus Line Loop"), resulting in (i) 230 kV Beaumeade-Nimbus Line #2152, and (ii) 230 kV Buttermilk-Nimbus Line #2255. The proposed Nimbus Line Loop will extend approximately 0.61 mile on new 100-foot-wide right-of-way ("ROW") to a proposed new 230-34.5 kV Nimbus Substation ("Nimbus Substation") constructed with five 230 kV, 4000A circuit breakers in a ring bus arrangement, three 230 kV line terminals, two 230-34.5 kV, 84 MVA transformers, eight 34.5 kV distribution circuits, and other associated equipment (collectively, the "Nimbus Line Loop and Substation");
- Construct a new approximately 0.26-mile 230 kV overhead single circuit line, Farmwell-Nimbus Line #2260, on new 80-foot-wide ROW, originating at the Company's existing Farmwell Substation and terminating at the proposed new Nimbus Substation (the "Farmwell-Nimbus Line"); and
- Install one 230 kV, 4000A circuit breaker, one 230 kV, 4000A disconnect switch and line terminal equipment at the Company's existing Farmwell Substation for one 230 kV transmission line. Additionally, the project will require relay resets, drawing updates, and field support, as necessary, at the Company's existing Buttermilk and Beaumeade Substations.

According to the Application, Dominion proposes the Project to provide service requested by a retail electric service customer (the "Customer"), to maintain reliable service for overall growth in the area and to comply with mandatory North American Electric Reliability Corporation ("NERC") Reliability Standards.<sup>2</sup> Dominion further states the Project is necessary in order to assure that the Company can maintain and improve reliable electric services to the load area surrounding Waxpool Road in Loudoun County ("Waxpool Road Load Area").<sup>3</sup>

In its Application, Dominion estimates that it will take approximately 24 months to construct the Project.<sup>4</sup> Dominion states that the desired in-service date for the Project is December 27, 2024.<sup>5</sup> The Company represents the estimated conceptual cost of the Project (in 2021 dollars) utilizing the proposed route is approximately \$37.5 million, which includes approximately \$9.3 million for transmission-related work, and approximately \$28.2 million for substation-related work.<sup>6</sup>

<sup>1</sup> Ex. 2 (Application) at 2.

<sup>2</sup> *Id.* at 2.

<sup>3</sup> *Id.* at 3.

<sup>4</sup> *Id.* at 5. The Company estimates that construction should begin around March 2023 and be completed by December 27, 2024. *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On March 7, 2022, the Commission issued an Order for Notice and Hearing ("Procedural Order") in this proceeding that, among other things, docketed the Application; established a procedural schedule; directed Dominion to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled public witness and evidentiary hearings; directed the Staff of the Commission ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter.

Staff requested that the Department of Environmental Quality ("DEQ") coordinate an environmental review of the Project by the appropriate agencies and to provide a report on the review.<sup>7</sup> On April 12, 2022, DEQ filed its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides a list of permits needed for the Project.<sup>8</sup> The DEQ Report also provided general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contained a following Summary of Recommendations regarding the Project. According to the DEQ Report, the Company should:

- Follow DEQ's recommendations for construction activities to avoid and minimize impacts to wetlands to the maximum extent possible;
- Follow DEQ's recommendations regarding air quality protection, as applicable;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable;
- Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage ("DNH") on its recommendations regarding an invasive species plan, restoration and maintenance practices, and project updates;
- Coordinate with the Virginia Outdoor Foundation again for further review if the project area changes or if this project does not begin within 24 months;
- Coordinate with the Virginia Department of Health, as necessary, regarding its recommendations to protect water supplies;
- Follow the principles and practices of pollution prevention to the maximum extent practicable;
- Limit the use of pesticides and herbicides to the extent practicable;
- Consult with the Loudoun Count Comprehensive Plan map for planned projects; and
- Coordinate with the Department of Historic Resources ("DHR") regarding its recommendations to protect historic and archaeological resources.<sup>9</sup>

On July 8, 2022, the Senior Hearing Examiner assigned to this matter issued a ruling that directed the evidentiary hearing to be convened virtually and established hearing procedures.

Also on July 8, 2022, Staff filed testimony along with an attached report summarizing the results of its investigation of Dominion's Application. Staff concluded that the Company had reasonably demonstrated that the proposed Project is needed to reliably support the interconnection of the anticipated load of the Customer's building D and maintain the overall reliability of the Company's transmission system in the Waxpool Road Load Area.<sup>10</sup> Staff also agreed that the proposed Nimbus Line Loop and Substation, as well as the Farmwell-Nimbus Line avoids or minimizes impacts to environmental, historic, and scenic resources.<sup>11</sup> Additionally, the Project does not appear to have a disproportionate adverse impact on historically economically disadvantaged communities or Environmental Justice communities.<sup>12</sup> Accordingly, Staff does not oppose the Company's request for a certificate of public convenience and necessity ("CPCN") for the Project.<sup>13</sup>

<sup>7</sup> Letter from C. Austin Skeens, Esquire, State Corporation Commission, dated February 24, 2022, to David L. Davis, Department of Environmental Quality, filed in Case No. PUR-2022-00027.

<sup>8</sup> Ex. 10 (DEQ Report) at 3-5.

<sup>9</sup> Ex. 10 (DEQ Report) at 5-6.

<sup>10</sup> Ex. 9 (Staff Report) at 21.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

On July 26, 2022, the Company filed rebuttal testimony to support Staff's conclusions, and to address specific recommendations included in the DEQ Report.<sup>14</sup> First, the Company sought to clarify comments offered by the Virginia Department of Transportation's ("VDOT") in the DEQ Report.<sup>15</sup> In the DEQ Report, VDOT identified two major roadway projects that are planned within close proximity of the Project,<sup>16</sup> and recommended that the Company coordinate with Loudoun County and VDOT for appropriate permit process on installations within the right of way.<sup>17</sup> In its rebuttal testimony, the Company clarified that it had consulted with both the Loudoun County Department of Transportation and Capital Infrastructure and VDOT prior to filing its Application regarding the VA 625 roadway project, and that the Company will continue to do so for any necessary permits.<sup>18</sup> The Company further clarified that it determined that the VA 640 roadway project is not within close proximity to the Project.<sup>19</sup> Second, the Company requested the Commission reject the following recommendations in the DEQ Report:<sup>20</sup>

- The recommendation by the DCR-DNH related to the development and implementation of an invasive species management plan ("ISMP"); and
- The recommendation by DEQ to consider development of an effective Environmental Management System ("EMS").

The Company argued that the DCR-DNH recommendation would be unnecessarily duplicative, and could potentially lead to significant cost increases and construction delays because the Company already has a robust Integrated Vegetation Management Plan ("IVMP").<sup>21</sup> Because the comprehensive IVMP in place adequately addresses invasive species, the development and implementation of a separate invasive species plan, including an invasive species inventory for the area of the Project, is unnecessary and could potentially lead to significant project cost increases and construction delays.<sup>22</sup> The Company also argued that DEQ's recommendation that the Company develop an effective EMS is unnecessarily duplicative because the Company already has a comprehensive EMS Manual in place.<sup>23</sup>

On August 8, 2022, the Commission received one public comment from DCR on the proposed Project. DCR's comment recommended the Company more broadly develop its ISMP to include steps to identify, eradicate and prevent the spread of both woody and herbaceous invasive species.

On August 16, 2022, the Senior Hearing Examiner convened the evidentiary hearing in the Commission's courtroom. Dominion and Staff participated at the hearing. The Commission did not receive any notices of participation and no public witnesses signed up to offer testimony during the public witness portion of the telephonic hearing.

On September 2, 2022, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") was issued. In the Report, the Senior Hearing Examiner made the following findings:

1. The Project is needed to provide service to a retail electric service customer in Loudoun County, to maintain reliable service for overall economic growth in the Project area, and to comply with mandatory NERC Reliability Standards;
2. The Company reasonably considered existing Company ROW and existing utility easements in developing the proposed route for the Project;
3. The Project will have no material adverse impact on scenic, environmental, or historic resources;
4. DEQ recommendations Nos. 1-3 and 5-10 in the DEQ Report are "desirable or necessary to minimize adverse environmental impact" associated with the Project;
5. DEQ recommendation No. 4 should be adopted in part and rejected in part;<sup>24</sup>
6. The Company reasonably addressed VDOT's comments in the DEQ Report;
7. The Company reasonably considered, and rejected, alternatives to the proposed Project;

<sup>14</sup> Ex. 11 (Weil Rebuttal) at 2.

<sup>15</sup> *Id.* at 3.

<sup>16</sup> Ex. 10 (DEQ Report) at 19. These two projects are VA 625 (Waxpool Road/Farmwell) widening between Loudoun County Parkway and Ashburn Road ("VA 625 roadway project") and VA 640 (Waxpool Road) widening between Faulkner Parkway and Unbridled. *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> Ex. 11 (Weil Rebuttal) at 4.

<sup>19</sup> *Id.*

<sup>20</sup> Ex. 12 (Young Rebuttal) at 3; *see also*, Ex. 10 (DEQ Report) at 5-6.

<sup>21</sup> Ex. 12 (Young Rebuttal) at 3.

<sup>22</sup> *Id.* at 4.

<sup>23</sup> *Id.* at 6.

<sup>24</sup> Specifically, the Senior Hearing Examiner recommends that the Commission reject the recommendation for the Company to develop a separate ISMP but adopt the recommendation that requires Dominion to continue coordination with DCR/DNH. Report at 20.

8. The Project does not represent a hazard to health or public safety;
9. The Company reasonably addressed the impact of the Project on aviation resources; and,
10. The Company reasonably considered the requirements of the Virginia Environmental Justice Act in its Application.<sup>25</sup>

The Senior Hearing Examiner recommended the Commission enter an order that adopts the findings in the Report; issues a CPCN to construct and operate the Project; and dismisses the case from the Commission's docket of active cases.<sup>26</sup>

On September 9, 2022, Dominion filed comments on the Report ("Dominion Comments"). Therein, Dominion supported the Senior Hearing Examiner's findings and recommendations.<sup>27</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity requires the construction of the Project. The Commission further finds that a CPCN authorizing the Project should be issued subject to certain findings and conditions contained herein.

#### Applicable Law

The Statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code provides the following:

it shall be unlawful for any public utility to construct, enlarge, or acquire . . . any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege.

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute provides that:

Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize environmental impact . . . In every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Clean Energy Policy set forth in § 45.2-1706.1, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that:

[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route chosen for the line will avoid or reasonably minimize adverse impact to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with the Department of Historic Resources, and environment of the area concerned.

The Code further requires that the Commission consider existing ROW easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, Code § 56-259 C provides that "[p]rior to acquiring any easement of ROW, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

#### Public Convenience and Necessity

Dominion represented that the Project is needed to provide service requested by a Customer, to maintain reliable service for overall growth in the area and to comply with mandatory NERC Reliability Standards.<sup>28</sup> Staff concluded that Dominion reasonably demonstrated that the proposed Project is needed to reliably support the interconnection of the anticipated load of the Customer's building D and maintain the overall reliability of the Company's transmission system in the Waxpool Road Load Area.<sup>29</sup> The Commission finds the Company has demonstrated the requisite need for the Project.

<sup>25</sup> *Id.* at 25-26.

<sup>26</sup> *Id.* at 26.

<sup>27</sup> Dominion Comments at 3, *citing* the Report at 19:

The Company supports the Report's findings and recommendations, including the Senior Hearing Examiner's recommendation with respect to DEQ Recommendation No. 4 . . . In a recent transmission proceeding, the Line #293 Rebuild (Case No. PUR-2021-00272), the Company agreed to meet with Mr. Bulluck and DCR-DNH to reach a mutual agreement on the DCR-DNH's recommendation regarding the development of an ISMP. The Company had this meeting in late August 2022 and will report on the status of this meeting in its next transmission [CPCN] case.

<sup>28</sup> Ex. 2 (Application) at 2.

<sup>29</sup> Ex. 9 (Staff Report) at 21.

### Economic Development

The Commission has considered the effect of the Project on economic development in the Commonwealth and finds the evidence in this case demonstrates that the Project would support economic growth in the Commonwealth by continuing to provide reliable electric service.<sup>30</sup>

### Rights-of-Way and Routing

There is no existing Dominion-owned transmission ROW that can be used for the Nimbus Line Loop.<sup>31</sup> As such, the entire ROW would require easements for new-build transmission lines. The proposed route for the Farmwell-Nimbus Line would be located entirely on data center properties.<sup>32</sup> Based on the record, the Commission finds that Dominion has adequately considered, and rejected, alternative ROWs for the Project.<sup>33</sup>

### Impact on Scenic Assets and Historic Districts

The Project would traverse through Loudoun County in an area that is characterized by extensive data center development as well as some light commercial areas.<sup>34</sup> The Commission finds that construction of the Project would avoid or reasonably minimize adverse impacts to the greatest extent reasonably practicable on the scenic assets, historic resources recorded with DHR, and the environment of the area concerned, as required by § 56-46.1 B of the Code, subject to the recommendations provided in the following section.

### Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides, among other things, that the Commission shall receive and give consideration to all reports that relate to the Project by state agencies concerned with environmental protection.<sup>35</sup>

The Commission finds there are no adverse environmental impacts that would prevent the construction or operation of the Project. This finding is supported by the DEQ Report, as nothing therein suggests the Project should not be constructed. There are, however, recommendations included in the DEQ Report for the Commission's consideration.<sup>36</sup> The Company opposed two of those recommendations.<sup>37</sup>

First, the Company requested the Commission reject DCR-DNH's recommendation to develop a separate ISMP<sup>38</sup> because it is unnecessarily duplicative and could potentially lead to significant project cost increases and construction delays.<sup>39</sup> The Company stated that it already has an IVMP in place that utilizes mechanical, chemical, and cultural methods for controlling vegetation, including invasive species.<sup>40</sup> The Company also explained that IVMP is consistent with the standards for utility ROW developed by the American National Standards Institute, as well as the NERC Vegetation Management Standards, for all regions in the Company's service territory.<sup>41</sup> Furthermore, the Company cited numerous cases in which the Commission has rejected this recommendation.<sup>42</sup> The Company nevertheless stated it will meet with DCR-DNH in an attempt to come to a mutual agreement regarding its IVMP moving forward, and will file the results of those meetings in the next transmission CPCN case.<sup>43</sup> The Senior Hearing Examiner found that the Company, with its IVMP, should not be required to undergo the additional cost of DCR-DNH's ISMP.<sup>44</sup> The Commission agrees with the Senior Hearing Examiner and declines to adopt DCR-DNH's recommendation regarding an ISMP.

<sup>30</sup> *Id.* at 20.

<sup>31</sup> *Id.* at 9.

<sup>32</sup> *Id.* at 12.

<sup>33</sup> *Id.* at 14-17.

<sup>34</sup> *Id.* at 17.

<sup>35</sup> Code § 56-46.1 A.

<sup>36</sup> Ex. 10 (DEQ Report) at 3.

<sup>37</sup> Ex. 12 (Young Rebuttal) at 3.

<sup>38</sup> Ex. 10 (DEQ Report) at 15.

<sup>39</sup> Ex. 12 (Young Rebuttal) at 3.

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> *Id.* at 4-5.

<sup>43</sup> Report at 19; *see* Ex. 12 (Young Rebuttal) at 3-5.

<sup>44</sup> Report at 20.

Second, Dominion requested the Commission reject DEQ's recommendation to consider development of an effective EMS.<sup>45</sup> The Company asserted that it "already has a comprehensive EMS Manual in place that ensures the Company is committed to complying with environmental laws and regulations."<sup>46</sup> We find that Dominion's existing EMS achieves the purpose of this recommendation.<sup>47</sup> The Commission agrees with the Senior Hearing Examiner that this recommendation should be rejected.<sup>48</sup>

The Commission further finds that Dominion shall be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Project.

#### Environmental Justice

The Virginia Environmental Justice Act ("VEJA") sets forth that "[i]t is the policy of the Commonwealth to promote environmental justice and ensure that it is carried out throughout the Commonwealth, with a focus on environmental justice communities and fenceline communities."<sup>49</sup> As previously recognized by the Commission, the Commonwealth's policy on environmental justice is broad, including "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy."<sup>50</sup>

The Commission agrees with the Senior Hearing Examiner that the Company reasonably considered the requirements of the VEJA in its Application.<sup>51</sup>

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for approval of the necessary CPCN to construct and operate the Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCN to Dominion:

Certificate No. ET-DEV-LDN-2022-D, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Loudoun County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2022-00027, cancels Certificate No. ET-DEV-LDN-2022-C, issued to Virginia Electric and Power Company in Case No. PUR-2021-00276 on July 26, 2022.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation an electronic map for the Certificate Number that shows the routing of the transmission line approved herein. Maps shall be submitted to Michael Cizenski, Deputy Director, Division of Public Utility Regulation, [mike.cizenski@scc.virginia.gov](mailto:mike.cizenski@scc.virginia.gov).

(5) Upon receiving the maps directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCN issued in Ordering Paragraph (3) with the maps attached.

(6) The Project approved herein must be constructed and in service by December 27, 2024. No later than ninety (90) days before the in-service date approved herein, for good cause shown, the Company is granted leave to apply, and to provide the basis, for any extension requested.

(7) This matter is dismissed.

<sup>45</sup> Ex. 12 (Young Rebuttal) at 3.

<sup>46</sup> *Id.* at 6.

<sup>47</sup> The Commission has previously made a similar ruling in prior proceedings. *See, e.g., Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Allied-Chesterfield 230 kV Transmission Line #2049 Partial Rebuild Project*, Case No. PUR-2020-00239, Doc. Con. Cen. No. 210330038, Final Order at 8 (Mar. 23, 2021).

<sup>48</sup> Report at 20; *see also*, Ex. 10 (DEQ Report) at 18.

<sup>49</sup> Code § 2.2-235.

<sup>50</sup> Code § 2.2-234; *see, e.g., Application of Appalachian Power Company, For approval and certification of the Central Virginia Transmission Reliability Project under Title 56 of the Code of Virginia*, Case No. PUR-2021-00001, 2021 S.C.C. Ann. Rept. 368, 372, Final Order (Sept. 9, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 EPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, 2021 S.C.C. Ann. Rept. 242, 252, Final Order (Apr. 30, 2021); *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, 2021 S.C.C. Ann. Rept. 190, 195, Final Order (Feb. 1, 2021).

<sup>51</sup> Report at 25; *see id.* at 26.

**CASE NO. PUR-2022-00028**  
**JUNE 9, 2022**

APPLICATION OF  
APB PARTNERS HANOVER, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On February 18, 2022, APB Partners Hanover, LLC ("APB Hanover" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications services in the Commonwealth of Virginia. The Company also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

On March 9, 2022, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed APB Hanover to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On May 5, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On May 17, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.* Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to APB Hanover subject to the following condition: APB Hanover should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant a Certificate to APB Hanover. Further, the Commission finds that the Company's Motion is moot; therefore, the Motion should be denied.<sup>2</sup>

Accordingly, IT IS ORDERED THAT:

(1) APB Hanover is hereby granted Certificate No. T-791 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If APB Hanover elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(3) APB Hanover shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(4) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

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<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

**CASE NO. PUR-2022-00029**  
**JUNE 9, 2022**

APPLICATION OF  
APB PARTNERS MIDDLESEX, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On February 18, 2022, APB Partners Middlesex, LLC ("APB Middlesex" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications services in the Commonwealth of Virginia. The Company also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

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<sup>1</sup> 5 VAC 5-20-10 *et seq.*



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On March 9, 2022, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed APB Middlesex to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On May 5, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On May 20, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.* Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to APB Middlesex subject to the following condition: APB Middlesex should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant a Certificate to APB Middlesex. Further, the Commission finds that the Company's Motion is moot; therefore, the Motion should be denied.<sup>2</sup>

Accordingly, IT IS ORDERED THAT:

(1) APB Middlesex is hereby granted Certificate No. T-792 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If APB Middlesex elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(3) APB Middlesex shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(4) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

<sup>2</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

**CASE NO. PUR-2022-00030  
JUNE 9, 2022**

APPLICATION OF  
APB PARTNERS VALLEY, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On February 18, 2022, APB Partners Valley, LLC ("APB Valley" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications services in the Commonwealth of Virginia. The Company also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

On March 9, 2022, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed APB Valley to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On May 5, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On May 23, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.* Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to APB Valley subject to the following condition: APB Valley should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant a Certificate to APB Valley. Further, the Commission finds that the Company's Motion is moot; therefore, the Motion should be denied.<sup>2</sup>

<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

Accordingly, IT IS ORDERED THAT:

- (1) APB Valley is hereby granted Certificate No. T-793 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.
- (2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If APB Valley elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.
- (3) APB Valley shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.
- (4) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.
- (5) This case is dismissed.

**CASE NO. PUR-2022-00031  
JUNE 17, 2022**

APPLICATION OF  
APB PARTNERS PULASKI, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On February 18, 2022, APB Partners Pulaski, LLC ("APB Pulaski" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications services in the Commonwealth of Virginia. The Company also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

On March 9, 2022, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed APB Pulaski to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On May 5, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On May 26, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.* Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to APB Pulaski subject to the following condition: APB Pulaski should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant a Certificate to APB Pulaski. Further, the Commission finds that the Company's Motion is moot; therefore, the Motion should be denied.<sup>2</sup>

Accordingly, IT IS ORDERED THAT:

- (1) APB Pulaski is hereby granted Certificate No. T-794 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.
- (2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If APB Pulaski elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.
- (3) APB Pulaski shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.
- (4) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.
- (5) This case is dismissed.

<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

**CASE NO. PUR-2022-00032  
JUNE 17, 2022**

APPLICATION OF  
APB PARTNERS LOUDOUN, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On February 18, 2022, APB Partners Loudoun, LLC ("APB Loudoun" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications services in the Commonwealth of Virginia. The Company also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

On March 9, 2022, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed APB Loudoun to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to conduct an investigation of the Application and file a report ("Staff Report"). On May 5, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On May 31, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq.* Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to APB Loudoun subject to the following condition: APB Loudoun should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it is no longer necessary.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that it should grant a Certificate to APB Loudoun. Further, the Commission finds that the Company's Motion is moot; therefore, the Motion should be denied.<sup>2</sup>

Accordingly, IT IS ORDERED THAT:

(1) APB Loudoun is hereby granted Certificate No. T-795 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If APB Loudoun elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(3) APB Loudoun shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(4) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

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<sup>1</sup> 5 VAC 5-20-10 *et seq.*

<sup>2</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

**CASE NO. PUR-2022-00033  
OCTOBER 20, 2022**

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

**FINAL ORDER**

On February 28, 2022, pursuant to Code § 56-585.1 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,<sup>1</sup> codified as Code § 10.1-1402.03.<sup>2</sup>

On October 26, 2021, by its Order Approving Rate Adjustment Clause in Case No. PUR-2021-00045, 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, "Power Stations").<sup>3</sup>

In its Petition, Dominion stated that it is filing this annual update to inform the Commission of the status of the Projects at the Power Stations.<sup>4</sup> Dominion also presented the results of a rail option to transport CCR materials from the Bremo and Possum Point Power Stations to a CCR landfill at the Virginia City Hybrid Energy Center ("VCHC") in Wise County, Virginia, which the Commission directed the Company to perform as part of its Order Approving Rate Adjustment Clause in Case No. PUR-2021-00045.<sup>5</sup> Further, Dominion stated in its Petition that it was seeking approval of a total revenue requirement of \$230,963,066 for service rendered beginning December 1, 2022, through November 30, 2023 ("Rate Year").<sup>6</sup>

On March 17, 2022, the Commission issued an Order for Notice and Hearing that, among other things, docketed this matter; directed Dominion to provide public notice of its Petition; scheduled hearings for the purpose of receiving testimony from public witnesses and evidence on the Petition; provided interested persons an opportunity to file comments on the Petition or to participate as respondents in this proceeding; directed Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

The Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation on June 3, 2022. Staff filed testimony on July 19, 2022. Dominion filed rebuttal testimony on August 2, 2022. No written public comments were received in this docket.

The public witness hearing was scheduled to convene telephonically on August 22, 2022, but was canceled because no public witnesses signed up to testify.<sup>7</sup> The evidentiary hearing was convened on August 23, 2022.

On September 15, 2022, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was issued. In the Report, the Hearing Examiner made the following findings:

- (i) The record supports a Rider CCR revenue requirement of \$233.77 million for service to be rendered from December 1, 2022, through November 30, 2023;
- (ii) The revenue requirement used to revise the non-bypassable Rider CCR rate should be limited to the proposed \$230.96 million total revenue requirement that was included in the public notice prescribed in this case;
- (iii) As recommended by Staff, future Rider CCR petitions should include: (a) reporting period information for the Annual Project Information and Milestone Reporting Matrix, and (b) summaries of work completed at each site according to major workstreams;

<sup>1</sup> 2019 Va. Acts ch. 651.

<sup>2</sup> Ex. 2 (Petition) at 1.

<sup>3</sup> *Id.* at 4; *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).

<sup>4</sup> Ex. 2 (Petition) at 4-5.

<sup>5</sup> *See id.* at 5.

<sup>6</sup> *Id.* at 10-11.

<sup>7</sup> Tr. 6.

- (iv) Further study of a VCHEC rail option for Breomo and/or Possum Point, which is prohibited by Wise County ordinance, is unlikely to be beneficial. However, should the Commission decide the record does support further study of the VCHEC rail option: (a) Dominion should be directed to use a different consultant for the purpose of getting a second opinion from a company that has not already evaluated the matter, or (b) Staff should be directed to conduct such a study. Additionally, any further CCR Project alternative cost estimate(s) directed by the Commission should be provided on a basis more comparable to the Company's Filing Schedule 46A in such proceeding;
- (v) While Dominion should continue to collaborate with the local task force and any other local, state, or federal body engaged in the ongoing efforts to remove CCR material from Possum Point, further study of a potential, partial barging option is unlikely to be beneficial. However, should the Commission decide the record does support further study of this conceptual option: (a) Dominion should be directed to use a different consultant for the purpose of getting a second opinion from a company that has not already evaluated the matter, or (b) Staff should be directed to conduct such a study. Additionally, any further CCR Project alternative cost estimate(s) directed by the Commission should be provided on a basis more comparable to the Company's Filing Schedule 46A in such proceeding.
- (vi) Dominion should maintain certain foundational information in case it becomes necessary or prudent to pursue a project different than one of the CCR Projects. The development of project schedules, permitting timelines, and other more involved activities, including negotiating with additional boards of supervisors, for specific potential alternative projects, may not be warranted at this time; and
- (vii) Dominion continues to defer the recovery of CCR Project costs allocated to its North Carolina customers.<sup>8</sup>

The Hearing Examiner recommended that the Commission: (i) approve a \$230.96 million revenue requirement to revise the Rider CCR rate for service to be rendered during the Rate Year; (ii) direct Dominion to provide in its next Rider CCR Petition: (a) reporting period information for the Annual Project Information and Milestone Reporting Matrix, (b) summaries of work completed at each site according to major workstreams, and (c) the Company's plan for cost recovery from North Carolina customers; and (iii) dismiss the case.<sup>9</sup>

NOW THE COMMISSION, upon consideration of this matter, adopts the reasoning, findings, and recommendations set forth in the Hearing Examiner's Report.<sup>10</sup> We agree that further studies of (1) a VCHEC rail option for Breomo and/or Possum Point and (2) a potential, partial barging option are unlikely to be beneficial and will not require these additional studies at this time for the reasons set forth in the Report.<sup>11</sup> We further agree that the record supports a Rider CCR revenue requirement of \$233.77 million for service to be rendered from December 1, 2022, through November 30, 2023, but find that the revenue requirement used to revise the Rider CCR rate for the Rate Year should be limited to the \$230.96 million total revenue requirement that was included in the public notice. Any difference between the total revenue requirement and what is approved herein for the Rate Year may be addressed in a future Rider CCR proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) The reasoning, findings, and recommendations set forth in the Hearing Examiner's Report are hereby adopted as set forth herein.
- (2) Rider CCR is approved as described herein with a revenue requirement in the amount of \$230.96 million for the Rate Year.
- (3) Rider CCR shall be effective for service rendered on and after December 1, 2022.
- (4) The Company forthwith shall file a revised Rider CCR and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (5) The Company shall file its next Rider CCR application on or after February 28, 2023. Such filing shall include: (a) reporting period information for the Annual Project Information and Milestone Reporting Matrix, (b) summaries of work completed at each site according to major workstreams, and (c) the Company's plan for cost recovery from North Carolina customers.
- (6) This case is dismissed.

<sup>8</sup> Report at 39.

<sup>9</sup> *Id.* at 40. Dominion, Consumer Counsel, and Staff each filed comments regarding the findings and recommendations set forth in the Report on September 29, 2022.

<sup>10</sup> In so doing, we have considered and weighed all of the evidence.

<sup>11</sup> Report at 28-34.

**CASE NO. PUR-2022-00034  
JUNE 27, 2022**

APPLICATION OF  
NOVA FIBER, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On March 14, 2022, Nova Fiber, LLC ("Nova Fiber" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("Certificates") to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia. The Company requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). The Company also filed a Motion for Entry of Protective Order ("Motion") in accordance with 5 VAC-20-170 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

On March 31, 2022, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Nova Fiber to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to investigate the Application and file a report ("Staff Report"). On May 23, 2022, the Company filed proof of notice and proof of service in accordance with the Scheduling Order. No comments or requests for hearing on the Company's Application were filed.

On June 10, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, 20 VAC 5-417-10 *et seq.* ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-411-10 *et seq.* ("Interexchange Rules"). Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to Nova Fiber subject to the following condition: Nova Fiber should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation by the Issuer or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it no longer necessary.

On June 16, 2022, Nova Fiber filed its response to the Staff Report. In its response Nova Fiber stated that it supports the conclusions and recommendations in the Staff Report and requested that the Commission issue an order granting Certificates to Nova Fiber.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds it should grant Certificates to Nova Fiber. Having considered Code § 56-481.1, the Commission finds that Nova Fiber may price its interexchange services competitively. Further, the Commission finds that the Company's Motion is moot; therefore, the Motion should be denied.<sup>2</sup>

Accordingly, IT IS ORDERED THAT:

- (1) Nova Fiber is hereby granted Certificate No. T-796 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.
- (2) Nova Fiber is hereby granted Certificate No. TT-320A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.
- (3) Pursuant to Code § 56-481.1, Nova Fiber may price its interexchange telecommunications services competitively.
- (4) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Nova Fiber elects to provide retail services on non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.
- (5) Nova Fiber shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.
- (6) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.
- (7) This case is dismissed.

<sup>1</sup> 5 VAC-20-10 *et seq.*

<sup>2</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

**CASE NO. PUR-2022-00035  
MAY 24, 2022**

APPLICATION OF  
VIRGINIA NATURAL GAS, INC.

For approval of its 2022 Annual update to Rate Schedule PT-1

**FINAL ORDER**

On March 1, 2022, pursuant to Ordering Paragraph (5) of the Final Order Issued by the State Corporation Commission ("Commission") in Case No. PUR-2021-00050,<sup>1</sup> and in accordance with Rule 80 of the Commission's Rules of Practice and Procedure,<sup>2</sup> Virginia Natural Gas, Inc. ("VNG" or "Company"), filed its application ("Application") for approval of its annual adjustment to Rate Schedule PT-1 and requested that the adjusted PT-1 rate be approved effective June 1, 2022.

VNG states that Section III.A of the Company's Tariff permits the Company to adjust the PT-1 rate annually to reflect any changes in the cost of service components going forward and to refund or recover any difference between actual and recovered operations and maintenance ("O&M") expenses.<sup>3</sup> According to the Company, for each year the PT-1 rate is in effect, the Company will update the plant in service, accumulated depreciation, and projected O&M expense, as well as property tax expense and federal and state tax rate.<sup>4</sup> The Company will also update changes to its depreciation rates and rate of return to reflect the results in each base rate case while the PT-1 rate is in effect.<sup>5</sup> At the end of each 12-month PT-1 effective rate period, VNG will reconcile the difference between the actual O&M expense and the amounts recovered through the PT-1 rate.<sup>6</sup> The Company will also include an adjustment to the subsequent year's PT-1 rate to recover or refund the difference in these O&M costs.<sup>7</sup>

In its Application, the Company proposes a revised PT-1 rate of \$0.96696 per dekatherm ("Dth").<sup>8</sup> According to the Company, the largest driver for the increase in the PT-1 rate from \$0.85544 per Dth to \$0.96696 per Dth is an increase in the plant amount attributable to the PT-1 rate, as well as a marginal increase to O&M expense and property tax. The Company states that a true-up credit of \$544 is needed in the 2022 rate for the over-recovered costs during 2021.<sup>9</sup>

On March 18, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") that, among other things, docketed the case, suspended the proposed update to Rate Schedule PT-1 pursuant to Code § 56-238; provided that the Company should serve a copy of its Application and the Procedural Order on Doswell Limited Partnership, the City of Richmond, Columbia Gas of Virginia, Inc., and Virginia Electric and Power Company; provided any interested person or entity affected by the Company's Application an opportunity to file comments or request a hearing on the Company's Application; directed the Commission Staff ("Staff") to investigate the Application and file with the Commission a report ("Staff Report") setting forth the Staff's findings and recommendations on VNG's Application; and permitted the Company to file a response ("Response") in rebuttal to Staff's Report or testimony or any comments or requests for hearing.

On May 9, 2022, Staff filed its Staff Report. Staff recommends approval of VNG's proposed PT-1 rate to be effective June 1, 2022, of \$0.96696 per Dth.<sup>10</sup> Staff notes VNG's proposed rate does not incorporate application of the cost of capital as authorized in VNG's most recent base rate case, Case No. PUR-2020-00095 ("2020 Base Rate Case"),<sup>11</sup> effective as of the date of interim rates in that case.<sup>12</sup> Staff takes the position that this is not in compliance with the Commission's findings in its Final Order in the Company's PT-1 case last year, Case No. PUR-2021-00050 ("2021 PT-1 Final Order").<sup>13</sup> In Staff's view, the Company was required to incorporate in this proceeding the approved cost of capital from the November 1, 2020, effective date of interim base

<sup>1</sup> *Application of Virginia Natural Gas For approval of its 2021 annual update to Rate Schedule PT-1*, Case No. PUR-2021-00050, Doc. Con. Cen. No. 218558134, Final Order (May 26, 2021).

<sup>2</sup> 5 VAC 5-20-10 et seq.

<sup>3</sup> Application at 4.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 4-5.

<sup>6</sup> *Id.* at 5.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> Staff Report at 1.

<sup>11</sup> *See Application of Virginia Natural Gas, Inc., For a general increase in rates and for authority to revise the terms and conditions applicable to natural gas service*, Case No. PUR-2020-00095, Doc. Con. Cen. No. 210930035, Final Order (Sept. 14, 2021).

<sup>12</sup> Staff Report at 1.

<sup>13</sup> *Application of Virginia, Natural Gas, Inc., For approval of its 2021 annual update to Rate Schedule PT-1*, Case No. PUR-2021-00050, Doc. Con. Cen. No. 226550134, Final Order at Ordering Paragraph (5) (May 26, 2021).

rates.<sup>14</sup> Staff notes that this would have resulted in a higher PT-1 revenue requirement and a PT-1 rate of \$0.97916/Dth.<sup>15</sup> Given that the Company did not incorporate such impact in its proposed PT-1 revenue requirement, however, Staff states doing so now would result in a rate higher than the \$0.96696/Dth noticed to customers.<sup>16</sup>

On May 16, 2022, VNG submitted a limited Response to address the effective date for the new cost of capital to apply to Rate Schedule PT-1 and Staff's suggested options for resolution to the extent required.<sup>17</sup> VNG contends that the Company complied with the 2021 PT-1 Final Order in applying the cost of capital approved in the 2020 Base Rate Case on a prospective basis, consistent with the prospective nature of the annual PT-1 rate updates.<sup>18</sup> VNG states that the 2021 PT-1 Final Order does not explicitly direct or address a November 1, 2020 effective date for the new cost of capital to be applied to PT-1, and the Company did not interpret the Final Order to require this application.<sup>19</sup> The Company has applied the approved cost of capital on a prospective basis consistent with the prospective nature of the PT-1 rate updates.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Application should be approved, including the proposed PT-1 rate, effective June 1, 2022, and that the proposed rate shall apply to all customers in the PT-1 rate class. Due to the specific circumstances and timing of this and the Company's prior PT-1 case, VNG shall incorporate the cost of capital set in its most recent base rate case, Case No. PUR-2020-00095, effective with the implementation of the PT-1 rate on June 1, 2022. Going forward, however, VNG shall incorporate changes in its cost of capital applicable to Rate Schedule PT-1 effective with a change in base rates.

Accordingly, IT IS ORDERED THAT:

- (1) The Company's Application is approved as discussed herein.
- (2) Within thirty (30) days of the date of this Order, the Company shall file a copy of the tariff, Rate Schedule PT-1, with the Commission. The Company simultaneously shall submit a copy of the tariff, Rate Schedule PT-1, to the Commission's Division of Public Utility Regulation.
- (3) Rate Schedule PT-1 shall apply to all customers in the PT-1 rate class.
- (4) The Company's distribution ratepayers shall be held harmless from any deficient returns produced by the PT-1 class.
- (5) On or before March 1, 2023, the Company shall file with the Commission its annual adjustment to the Rate Schedule PT-1 class.
- (6) This case is hereby dismissed.

<sup>14</sup> Staff Report at 6-7.

<sup>15</sup> *Id.* at 9.

<sup>16</sup> *Id.* at 8.

<sup>17</sup> Response at 2.

<sup>18</sup> *Id.* at 3.

<sup>19</sup> *Id.*

**CASE NO. PUR-2022-00036  
JUNE 2, 2022**

APPLICATION OF  
COLUMBIA GAS OF VIRGINIA, INC.

For authority to increase rates and charges and to revise the terms and conditions applicable to gas service

**ORDER FOR NOTICE AND HEARING**

On April 29, 2022, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed an application with the State Corporation Commission ("Commission"), pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Gas and Water Utilities,<sup>1</sup> requesting authority to increase its rates and charges, effective for the first billing unit of October 2022, and to revise other terms and conditions applicable to gas service ("Application"). In its Application, CVA indicates that the proposed rates and charges are designed to increase the Company's non-gas base revenues by approximately \$58.2 million per year.<sup>2</sup> The Application states the requested increase includes approximately \$17.7 million of revenues associated with its Steps to Advance Virginia's Energy ("SAVE") Plan pursuant to Code § 56-603 *et seq.* ("SAVE Act").<sup>3</sup> CVA states that it is proposing to include recovery of the costs associated with approximately \$154.4 million of net rate base SAVE investments as of September 30, 2022, in base rates, as permitted by the SAVE Act.<sup>4</sup>

<sup>1</sup> 20 VAC 5-201-10 *et seq.* ("Rate Case Rules").

<sup>2</sup> Application at 1.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*



CVA states that the requested increase in annual non-gas base revenues reflects (i) its costs and revenues for the test year ended December 31, 2021; (ii) the increase in the Company's rate base since its last base rate increase in 2018;<sup>5</sup> (iii) an updated capital structure and requested return on equity of 10.75%; and (iv) certain rate year adjustments that "reasonably can be predicted to occur" during the 12 months ending September 30, 2023, as permitted by Code § 56-235.2.<sup>6</sup>

In the Application, CVA represents that in the time since it was last authorized to increase its rates and charges in the 2018 Rate Case, the Company has made significant capital investments to improve the overall safety, reliability, and integrity of its natural gas system for the benefit of customers and to accommodate steady customer growth.<sup>7</sup> CVA states it expects to make over \$390 million in capital investments on behalf of its customers from 2021 through 2023.<sup>8</sup>

In its Application, CVA states that, in the time since the 2018 Rate Case, the Company has also continued to enhance pipeline safety and reliability through its formal integrity management program for its distribution system ("DIMP") by identifying, prioritizing, and reducing gas distribution pipeline integrity risks.<sup>9</sup> CVA indicates that, apart from DIMP initiatives, the Company conducts other operations and maintenance activities focused on further enhancing the safety of CVA's infrastructure.<sup>10</sup>

The Company also proposes modifications to its currently effective Rate Schedules, General Terms and Conditions, and Form of Service Agreements. First, the Company proposes a three-month bill credit to return certain tax savings to customers associated with the Tax Cuts and Jobs Act of 2017 ("TCJA").<sup>11</sup> Second, CVA proposes a new voluntary companion tariff, designated Rate Schedule GPS, that will enable residential and small general service customers to opt in to offset the greenhouse gas emissions associated with the natural gas they receive from the Company by either 50 percent or 100 percent using environmental attributes.<sup>12</sup> Finally, the Company requests approval of modifications to its existing line extension policy.<sup>13</sup>

CVA requests that implementation of the rate and tariff modifications proposed in its Application be authorized on an interim basis subject to refund, effective for the first billing unit of October 2022.<sup>14</sup> The Company asserts that, effective with the first billing unit of October 2022, the base rate increase and the implementation of the three-month TCJA-related bill credit will increase the average monthly bill of a typical residential customer using 5.4 dekatherms from approximately \$79.54 to approximately \$88.53, or by 11.30%.<sup>15</sup> The Company further asserts that after the three-month bill credit expires, the Company's proposed rates will result in an increase to the typical monthly bill for a residential customer using 5.4 dekatherms to approximately \$89.38.<sup>16</sup>

CVA requests that the Commission waive, in part, the requirements under Rules 20 VAC 5-201-20 and 20 VAC 5-201-90 of the Rate Case Rules with respect to Schedule 6, which requires an applicant to provide copies of the most recent public financial reports.<sup>17</sup> In support of its request for waiver of Schedule 6, CVA states that "[i]n 2020, the Commission revised Schedule 6 as it relates to electric utilities to permit 'a link to where such copies can be found on the internet' instead of hard copies of these voluminous reports."<sup>18</sup> CVA requests that the Commission waive the requirement to submit hard copies of its public financial reports, and instead permit CVA to provide a link to where those reports can be found on the internet.<sup>19</sup>

Finally, in conjunction with the filing of its Application on April 29, 2022, the Company filed the Motion of Columbia Gas of Virginia, Inc. for Entry of a Protective Order ("Motion for Protective Ruling") and a proposed Protective Order that establishes procedures governing the use of confidential information in this proceeding.

<sup>5</sup> See *Application of Columbia Gas of Virginia, Inc., For authority to increase rates and to revise the terms and conditions applicable to gas service*, Case No. PUR-2018-00131, 2019 S.C.C. Ann. Rept. 255, Final Order (June 12, 2019) ("2018 Rate Case").

<sup>6</sup> Application at 2-5.

<sup>7</sup> *Id.* at 3-4.

<sup>8</sup> *Id.* at 4.

<sup>9</sup> *Id.* at 3.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 5-6.

<sup>12</sup> *Id.* at 6-7.

<sup>13</sup> *Id.* at 7.

<sup>14</sup> *Id.* at 10.

<sup>15</sup> Direct Testimony of Candice Lash at 9-11, Attachment CL-3 at 1.

<sup>16</sup> *Id.*

<sup>17</sup> Application at 9.

<sup>18</sup> *Id.*; *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of adopting new rules of the State Corporation Commission governing utility rate applications by investor-owned electric utilities*, Case No. PUR-2020-00022, 2020 S.C.C. Ann. Rep. 439, Order Adopting Regulations (Nov. 23, 2020).

<sup>19</sup> Application at 9.

NOW THE COMMISSION, upon consideration of this matter, finds that CVA should provide public notice of its Application; public hearings should be scheduled for the purpose of receiving testimony and evidence on the Application; interested persons should have an opportunity to file comments on the Application and participate as a respondent in this proceeding; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion for Protective Ruling and filing a final report containing the Hearing Examiner's findings and recommendations. Further, for purposes of making the Application complete, we grant CVA's request to waive, in part, the requirements of Rules 20 and 90 of the Rate Case Rules with respect to Schedule 6 filing requirements.

The Commission further finds that CVA may implement the proposed rate and tariff modifications on an interim basis, subject to refund, effective for the first billing unit of October 2022, including the three-month bill credit associated with the TCJA.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.<sup>20</sup> Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

We note that the Application, if approved, would result in an increase to customer bills. We realize that the ongoing COVID-19 public health issues have caused devastating economic effects that impact utility customers. We have responded to this economic emergency by, among other actions, directing Virginia utilities to offer extended payment plans, without late fees for those who are current on such plans, to protect customers from service disconnection. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

Accordingly, IT IS ORDERED THAT:

- (1) This matter hereby is docketed and assigned Case No. PUR-2022-00036.
- (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.<sup>21</sup>
- (3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.
- (4) As provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion for Protective Ruling.
- (5) The Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Application, as follows:
  - (a) A hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on December 13, 2022, with no public witness present in the Commission's courtroom.<sup>22</sup>
  - (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
  - (c) On or before December 7, 2022, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141.

<sup>20</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

<sup>21</sup> As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

<sup>22</sup> The Hearing Examiner will convene counsel of record in this proceeding to attend the public witness hearing virtually.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- (d) Beginning at 10 a.m., on December 13, 2022, the 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.
- (e) This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).
- (6) A hearing on the Application shall be convened at 10 a.m., on December 14, 2022, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony and evidence of the Company, any respondents, and the Staff.
- (7) An electronic copy of the public version of the Company's Application may be obtained by submitting a written request to counsel for the Company, Vishwa B. Link, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or [vlink@mcguirewoods.com](mailto:vlink@mcguirewoods.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (8) On or before July 13, 2022, 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 AN APPLICATION BY  
COLUMBIA GAS OF VIRGINIA, INC.,  
FOR AUTHORITY TO INCREASE RATES AND  
CHARGES AND TO REVISE THE TERMS AND  
CONDITIONS APPLICABLE TO GAS SERVICE  
CASE NO. PUR-2022-00036

- **Columbia Gas of Virginia, Inc. ("CVA") has applied for authority for an increase in rates and charges and to revise the terms and conditions applicable to gas service.**
- **CVA requests an increase to its total revenue requirement of \$58.2 million.**
- **The Hearing Examiner appointed to this case will hold a telephonic hearing in this case on December 13, 2022, to receive public witness testimony.**
- **The Hearing Examiner will hold an evidentiary hearing in the case on December 14, 2022.**
- **Further information about this case is available on the State Corporation Commission's website at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information)**

On April 29, 2022, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed an application with the State Corporation Commission ("Commission"), pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Gas and Water Utilities, requesting authority to increase its rates and charges, effective for the first billing unit of October 2022, and to revise other terms and conditions applicable to gas service ("Application"). In its Application, CVA indicates that the proposed rates and charges are designed to increase the Company's non-gas base revenues by approximately \$58.2 million per year. The Application states that the requested increase includes approximately \$17.7 million of revenues associated with its Steps to Advance Virginia's Energy ("SAVE") Plan pursuant to Code § 56-603 *et seq.* ("SAVE Act"). CVA states that it is proposing to include recovery of the costs associated with approximately \$154.4 million of net rate base SAVE investments as of September 30, 2022, in base rates, as permitted by the SAVE Act.

CVA states that the requested increase in annual non-gas base revenues reflects (i) its costs and revenues for the test year ended December 31, 2021; (ii) the increase in the Company's rate base since its last base rate increase in 2018, Case No. PUR-2018-00131 ("2018 Rate Case"); (iii) an updated capital structure and requested return on equity of 10.75%; and (iv) certain rate year adjustments that "reasonably can be predicted to occur" during the 12 months ending September 30, 2023, as permitted by Code § 56-235.2.

In the Application, CVA represents that in the time since it was last authorized to increase its rates and charges in the 2018 Rate Case, the Company has made significant capital investments to improve the overall safety, reliability, and integrity of its natural gas system for the benefit of customers and to accommodate steady customer growth. CVA states it expects to make over \$390 million in capital investments on behalf of its customers from 2021 through 2023.

In its Application, CVA states that, in the time since the 2018 Rate Case, the Company has also continued to enhance pipeline safety and reliability through its formal integrity management program for its distribution system ("DIMP") by identifying, prioritizing, and reducing gas distribution pipeline integrity risks. CVA indicates that, apart from DIMP initiatives, the Company conducts other operations and maintenance activities focused on further enhancing the safety of CVA's infrastructure.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Company also proposes modifications to its currently effective Rate Schedules, General Terms and Conditions, and Form of Service Agreements. First, the Company proposes a three-month bill credit to return certain tax savings to customers associated with the Tax Cuts and Jobs Act of 2017 ("TCJA"). Second, CVA proposes a new voluntary companion tariff, designated Rate Schedule GPS, that will enable residential and small general service customers to opt in to offset the greenhouse gas emissions associated with the natural gas they receive from the Company by either 50 percent or 100 percent using environmental attributes. Finally, the Company requests approval of modifications to its existing line extension policy.

CVA requests that implementation of the rate and tariff modifications proposed in its Application be authorized on an interim basis subject to refund, effective for the first billing unit of October 2022. The Company asserts that, effective with the first billing unit of October 2022, the base rate increase and the implementation of the three-month TCJA-related bill credit will increase the average monthly bill of a typical residential customer using 5.4 dekatherms from approximately \$79.54 to approximately \$88.53, or by 11.30%. The Company further asserts that after the three-month bill credit expires, the Company's proposed rates will result in an increase to the typical monthly bill for a residential customer using 5.4 dekatherms to approximately \$89.38.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

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

The Commission entered an Order for Notice and Hearing that, among other things, scheduled public hearings on CVA's Application and permitted the proposed rate and tariff modifications to be placed into effect, on an interim basis subject to refund, effective for the first billing unit of October 2022.

On December 13, 2022, at 10 a.m., the Hearing Examiner assigned to the case 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 December 7, 2022, 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](https://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](https://scc.virginia.gov/pages/Webcasting).

On December 14, 2022, 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 Application from the Company, any respondents, and the Commission's Staff.

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

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

An electronic copy of the public version of the Company's Application may be obtained by submitting a written request to counsel for the Company, Vishwa B. Link, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or [vlink@mcguirewoods.com](mailto:vlink@mcguirewoods.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).

On or before December 7, 2022, any interested person may file comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](https://scc.virginia.gov/casecomments/Submit-Public-Comments). Those unable, as a practical matter, to file 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-2022-00036.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On or before September 14, 2022, 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/](http://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. 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 Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00036.

On or before October 12, 2022, each respondent may file with the Clerk of the Commission and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00036.

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

The public version of the Company's Application, the Commission's Rules of Practice and the Commission's Order for Notice and Hearing may be viewed at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

COLUMBIA GAS OF VIRGINIA, INC.

(9) On or before July 13, 2022, the Company shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(10) On or before August 12, 2022, 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 Commission at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/).

(11) On or before December 7, 2022, any interested person may submit written comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://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-2022-00036.

(12) On or before September 14, 2022, 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/](http://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. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the 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-2022-00036.

(13) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the public version of its Application on the respondent unless these materials already have been provided to the respondent.

(14) On or before October 12, 2022, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling/](http://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 listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Staff, the Joint Applicants, and all other respondents simultaneous with its filing. In all filings, respondents shall comply with the Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00036.

(15) On or before November 9, 2022, the Staff shall investigate the Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Company and all respondents.

(16) On or before November 30, 2022, the Company 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 its 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 Rules of Practice.

(18) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.<sup>23</sup> Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq.*

(19) CVA may place its proposed rates into effect on an interim basis, subject to refund with interest, effective for the first billing unit of October 2022, including the three-month bill credit associated with the TCJA.

(20) CVA's requested waiver of Rules 20 VAC 5-201-20 and 20 VAC 5-201-90 of the Rate Case Rules with respect to Schedule 6 is granted.

(21) On or before October 1, 2022, CVA shall file a bond with the Commission in the amount of \$58.2 million payable to the Commission and conditioned to ensure the prompt refund by the Company to those entitled thereto of all amounts that the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine.

(22) This matter is continued.

<sup>23</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00036 in the appropriate box.

**CASE NO. PUR-2022-00037  
MARCH 29, 2022**

APPLICATION OF  
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For an order authorizing the issuance of indebtedness

**ORDER GRANTING AUTHORITY**

On March 7, 2022, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company"), completed the filing of an application ("Application") with the State Corporation Commission ("Commission") requesting authority to: (1) incur long-term debt in the form of First Mortgage Bonds ("FMB(s)"), Intermediate Term Financings, or a combination thereof in an amount not to exceed \$550 million; (2) enter into one or more hedging agreements ("Hedging Agreements") associated with this long-term debt through an affiliate or directly with a bank or financial institution; and (3) renew authority granted in Case No. PUR-2020-00064<sup>1</sup> for the Company to maintain a revolving line of credit not to exceed an aggregate total of \$650,000,000, with the flexibility to amend, extend, or enter into one or more new revolving lines of credit up to the aggregate total limit for terms up to five years from the date of amendment, with a maximum term ending December 31, 2028. The Company paid the requisite filing fee.

The Company states that it will use the long-term debt to repay existing short-term debt, to potentially complete an advanced refinancing of an existing \$250 million FMB expiring in 2025, and for general corporate purposes.<sup>2</sup> Short-term debt outstanding as of December 31, 2021, was roughly \$294 million.<sup>3</sup>

With regards to the issuance of any long-term debt under the requested financing authority, KU/ODP states that the specific price, maturity date(s), interest rate(s), redemption provisions, and other terms and provisions would be determined on the basis of negotiations among KU/ODP and the underwriters, agents, or other purchasers of the FMBs.<sup>4</sup>

With regards to the issuance of any FMBs, KU/ODP represents that the compensation to be paid to underwriters or agents for their services would not exceed 1% of the principal amount.<sup>5</sup> Based on past experiences with similar financings, the Company estimates that issuance costs, excluding underwriting fees, will be approximately \$2 million.<sup>6</sup>

<sup>1</sup> See *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For an order authorizing the issuance of indebtedness*, Case No. PUR-2020-00064, 2020 S.C.C. Ann. Rept. 489, Order Granting Authority (May 14, 2020).

<sup>2</sup> Application at 4.

<sup>3</sup> See Application, Exhibit 3, page 1.

<sup>4</sup> Application at 6-7.

<sup>5</sup> *Id.* at 7.

<sup>6</sup> *Id.*

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Company's request for authority to enter into Hedging Agreements is similar to that granted in Case No. PUR-2020-00064, with the exception that the authority requested in this case would apply to both FMBs and Intermediate Term Financings.<sup>7</sup> In addition, KU/ODP requests authority to establish regulatory assets or liabilities for accounting purposes for the losses and gains arising from a Hedging Agreement and amortize the gains and losses over the remaining life of the new debt.<sup>8</sup>

The Company represents that the revolving credit facility would be available for the same purposes for which credit is currently available, as it will (1) allow KU/ODP to continue to obtain favorable short-term debt costs while avoiding higher commitment fees and related transaction costs expected in the future, and (2) provide flexibility to further optimize its short-term debt for its customers.<sup>9</sup>

NOW THE COMMISSION, upon consideration of the Application, and having been advised by its Staff through its Action Brief, is of the opinion and finds that approval of the Application is in the public interest, subject to the requirements set forth in this Order and the Appendix attached hereto.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-55 and 56-76, the Application is approved, subject to the requirements set forth in this Order and the Appendix attached hereto.

(2) This matter shall remain under continued review, audit, and appropriate directive of the Commission.

<sup>7</sup> See Staff Action Brief at 5. In Case No. PUR-2020-00064, KU/ODP did not seek hedging authority for Intermediate Term Financings. *Id.*

<sup>8</sup> Application at 8.

<sup>9</sup> *Id.* at 10.

## APPENDIX A

1. KU/ODP is authorized through December 31, 2023, to (i) issue long-term debt not to exceed \$550,000,000 in the form of First Mortgage Bonds, Intermediate Term Financing, or any combination of these forms of indebtedness under the terms and conditions, and for the purposes stated in its Application, and (ii) enter into hedging agreements in connection with the issuance of long-term debt in the manner and for the terms, conditions, and reasons specified in the Application.

2. The Company is authorized to amend its existing revolving line of credit and/or enter into one or more new revolving lines of credit such that the aggregate total does not exceed \$650,000,000, during 2022 and 2023, extending the terms of such credit line(s) five years from the date of such amendment through a maximum term ending December 31, 2028.

3. KU/ODP is authorized, to the extent needed, to enter into transactions with an affiliate, pursuant to Chapter 4 of Title 56 of the Code, to exercise the hedging authority in Item 1, above.

4. The Company shall file a copy of any amended or new credit facility agreements within thirty (30) days of their execution.

5. KU/ODP shall only pay fees charged by the third-party counterparty for any hedging facility that uses an affiliate as a "pass through" entity.

6. KU/ODP shall file a Report of Action within thirty (30) days of the issuance of long-term debt, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director"). In the report, the Company shall include the following:

- (a) date(s) of the issuance;
- (b) the proceeds of such issuances;
- (c) the associated interest rate(s);
- (d) any related hedging facility; and
- (e) all associated fees and expenses.

7. The authority granted in this case shall supersede and terminate any remaining financing authority for the amount and term of revolving line of credit facilities or for the issuance of debt in Case No. PUR-2020-00064.

8. The approval granted in this case shall have no accounting or ratemaking implications. Specifically, the approval in this case shall not guarantee the recovery of any costs directly or indirectly related to the proposed debt financing.

9. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code § 56-76 *et seq.* hereafter.

10. The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

11. KU/ODP shall include all transactions associated with using an affiliate as a "pass-through" entity for any hedging facilities associated with the long-term debt in Item 1 above in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. KU/ODP shall report the transactions by month, FERC account, and amount in its ARAT as the transactions are recorded in KU/ODP's books.

**CASE NO. PUR-2022-00038  
MAY 24, 2022**

APPLICATION OF  
KENTUCKY UTILITIES COMPANY

For an order authorizing an amendment to a money pool agreement with an affiliate

**ORDER GRANTING APPROVAL**

On March 2, 2022, Kentucky Utilities Company, d/b/a Old Dominion Power Company ("KU/ODP" or "Company"), filed an Application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code").<sup>1</sup> The Application seeks an order authorizing an amendment ("2022 Amendment") to a Utility Money Pool ("Money Pool") Agreement ("Agreement")<sup>2</sup> between the Company and the following affiliates: Louisville Gas and Electric Company ("LG&E"); LG&E and KU Energy LLC ("LKE"); and LG&E and KU Services Company ("LKS"). The Company also seeks an extension of its existing authority granted by the Commission in Case No. PUR-2020-00066<sup>3</sup> to participate in the Money Pool Agreement through December 31, 2028.

The Commission approved the original Money Pool Agreement on November 29, 2011, in Case No. PUE-2011-00110.<sup>4</sup> The Commission has subsequently approved Amendment Nos. 1,<sup>5</sup> 2,<sup>6</sup> and 3<sup>7</sup> to the Money Pool Agreement, and extended the authority for the Company to participate in the Money Pool through December 31, 2026.

The Company states that under the existing Money Pool Agreement, the amount of lending and borrowing<sup>8</sup> is limited by the difference between the utility's Federal Energy Regulatory Commission ("FERC") borrowing limit and the utility's commercial paper program limit, each as in existence from time to time. The Company represents that, at present, KU/ODP's FERC borrowing limit is \$650,000,000, and its commercial paper capacity limit is \$350,000,000; therefore, KU/ODP's current proposed limit on lending to or borrowing from the Money Pool at any one time is \$300,000,000.<sup>9</sup>

In the proposed 2022 Amendment, the amount of lending and borrowing under the Money Pool would be limited by the difference between the utility's FERC borrowing limit and the amount of commercial paper actually issued and outstanding from time to time, rather than the size of the commercial paper facility itself. As an example, the Company states that its current FERC borrowing limit is \$650,000,000, and if it has no commercial paper outstanding, under the proposed 2022 Amendment KU/ODP's limit on lending to or borrowing from the Money Pool would be \$650,000,000. The Company represents that this change would allow KU/ODP to be indifferent on the usage of short-term debt or the Money Pool, which would give it flexibility to obtain the best financing available. The Company further represents that the proposed 2022 Amendment does not increase KU/ODP's overall maximum borrowing limit, which remains capped at its FERC-approved borrowing limit then in effect.<sup>10</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its Action Brief and having considered the Company's comments thereon, is of the opinion and finds that the 2022 Amendment to the Money Pool Agreement is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the 2022 Amendment to the Money Pool Agreement is approved subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

<sup>1</sup> Code § 56-76 *et seq.*

<sup>2</sup> The 2022 Amendment will be Amendment No. 4 to the Money Pool Agreement. Application at 3.

<sup>3</sup> *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of an amendment to a money pool agreement*, Case No. PUR-2020-00066, 2020 S.C.C. Ann. Rept. 493, Order Granting Authority (May 12, 2020).

<sup>4</sup> *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority under Chapter 4 of Title 56 of the Code of Virginia to execute an amended affiliate agreement*, Case No. PUE-2011-00110, 2011 S.C.C. Ann. Rept. 548, Order Granting Authority (Nov. 29, 2011).

<sup>5</sup> *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, Louisville Gas and Electric Company, LG&E and KU Energy LLC, and LG&E and KU Services Company, For authority to engage in affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2013-00051, 2013 S.C.C. Ann. Rept. 228, Order Granting Authority (July 3, 2013).

<sup>6</sup> See *supra* n.3.

<sup>7</sup> *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of an amendment to a Money Pool Agreement*, Case No. PUR-2021-00006, Doc. Con. Cen. No. 210310049, Order Granting Approval (Mar. 2, 2021).

<sup>8</sup> Only KU/ODP and its sister utility, LG&E, are borrowers under the Money Pool Agreement; LKE participates as a lender only, and LKS administers the Money Pool. Application at 4.

<sup>9</sup> Application at 5.

<sup>10</sup> *Id.*



## APPENDIX

(1) The Commission's approval of the 2022 Amendment to the Money Pool Agreement shall extend from the effective date of the Order in this case through December 31, 2028. If KU/ODP wishes to extend the approved, amended Money Pool Agreement beyond that date, separate Commission approval shall be required.

(2) The Commission's approval granted in this case shall supersede the approvals granted in the following cases: Case Nos. PUE-2011-00110, PUE-2013-00051, PUR-2020-00066, and PUR-2021-00006.<sup>1</sup>

(3) Separate Commission approval shall be required for any changes in the terms and conditions of the approved, amended Money Pool Agreement.

(4) The Commission's approval shall have no accounting or ratemaking implications.

(5) The Commission's approval shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.*, hereafter.

(6) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(7) KU/ODP shall file with the Commission a signed and executed copy of the approved, amended Money Pool Agreement within thirty (30) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(8) KU/ODP shall include all transactions associated with the approved, amended Money Pool Agreement in its Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. KU/ODP shall report the Money Pool transactions as follows: (a) by Case Number in which the amended Money Pool Agreement was approved; and (b) a calendar year annual schedule showing the Money Pool transactions by (i) borrower/lender; (ii) month; (iii) amount lent; (iv) amount borrowed; (v) outstanding balance; and (vi) applicable interest rate as the transactions are recorded in KU/ODP's books. KU/ODP shall also include a schedule outlining the lending or borrowing limits for each Service Affiliate in its ARAT.

(9) In the event that KU/ODP's annual informational filings or expedited or general rate case filings are not based on a calendar year, then KU/ODP shall include the affiliate information contained in its ARAT in such filings.

<sup>1</sup> See *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority under Chapter 4 of Title 56 of the Code of Virginia to execute an amended affiliate agreement*, Case No. PUE-2011-00110, 2011 S.C.C. Ann. Rept. 548, Order Granting Authority (Nov. 29, 2011); *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, Louisville Gas and Electric Company, LG&E and KU Energy LLC, and LG&E and KU Services Company, For authority to engage in affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2013-00051, 2013 S.C.C. Ann. Rept. 228, Order Granting Authority (July 3, 2013); *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of an amendment to a money pool agreement*, Case No. PUR-2020-00066, 2020 S.C.C. Ann. Rept. 493, Order Granting Authority (May 12, 2020); and *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of an amendment to a Money Pool Agreement*, Case No. PUR-2021-00006, Doc. Con. Cen. No. 210310049, Order Granting Approval (Mar. 2, 2021).

**CASE NO. PUR-2022-00039**  
**SEPTEMBER 2, 2022**

APPLICATION OF  
CPV RETAIL ENERGY LP

For a license to conduct business as a competitive service provider

**ORDER GRANTING LICENSE**

On July 12, 2022, CPV Retail Energy LP ("CPV" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider.<sup>1</sup> CPV seeks authority to provide retail electric supply to eligible commercial and industrial customers in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") and Appalachian Power Company ("APCo"). In its Application, the Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").<sup>2</sup>

On July 25, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion and APCo on or before August 5, 2022, and to file proof of service on or before August 9, 2022. On July 27, 2022, the Company filed its proof of service. Dominion filed a notice of participation on August 5, 2022.

<sup>1</sup> The Company filed public and confidential versions of its Application on March 3, 2022. CPV then filed supplemental Application information on March 25, 2022. On July 12, 2022, CPV filed additional supplemental information to complete its Application.

<sup>2</sup> 20 VAC 5-312-10 *et seq.*

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before August 16, 2022. On August 16, 2022, Dominion filed comments ("Comments") in the case.

The Procedural Order also directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report") on or before August 23, 2022. The Staff filed its Report on August 23, 2022, which summarized CPV's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that CPV be granted a license to provide retail electricity supply to eligible commercial and industrial customers in the service territories of Dominion and APCo.<sup>3</sup>

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that CPV's Application for a license to provide retail electricity supply to eligible commercial and industrial customers in the service territories of Dominion and APCo should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) CPV is hereby granted license No. E-48 to provide retail electricity supply to eligible commercial and industrial customers in the service territories of Dominion and APCo. This license to act as a competitive service provider is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) CPV forthwith, shall file with the Commission, a performance bond or other acceptable financial security instrument made payable to the Commonwealth of Virginia in the amount of \$25,000.

(3) CPV forthwith, shall establish an escrow account with a Virginia financial institution, to comply with the requirements in Retail Access Rule 20 VAC 5-312-90, for the protection of any customer deposits or prepayments.

(4) Staff shall conduct a periodic review of the level of financial security that is commensurate with CPV's business operations in Virginia and in consideration of any fines, penalties, or sanctions imposed by any other jurisdiction.

(5) This license is not valid authority for the provision of any product or service not identified within the license itself.

(6) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

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<sup>3</sup> Report at 5.

**CASE NO. PUR-2022-00043  
JUNE 21, 2022**

APPLICATION OF  
ATMOS ENERGY CORPORATION

For expedited approval of a special contract for gas transportation service pursuant to § 56-235.2 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On March 11, 2022, Atmos Energy Corporation ("Atmos" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-235.2 of the Code of Virginia ("Code") and the Commission's Rules for Filing an Application to Provide Electric and Gas Service Under a Special Rate, Contract or Incentive,<sup>1</sup> requesting expedited approval of a special contract for gas transportation service to Blue Star Manufacturing, LLC and Blue Star NBR, LLC (jointly, "Blue Star").<sup>2</sup>

In support of its Application, the Company stated that, effective January 27, 2022, Atmos and Blue Star entered into a "System Expansion and Interruptible Transportation Service Agreement" ("Contract") to construct a system expansion and transport gas to Blue Star's industrial facility under construction in Wytheville, Virginia.<sup>3</sup> Atmos stated that Blue Star's manufacturing facility and gas service requirements require a system expansion by Atmos to serve this facility.<sup>4</sup> The Company stated that as part of this system expansion, Atmos was able to negotiate system expansion and transportation service conditions with Blue Star that include a minimum margin requirement ("MMR"), which is intended to protect Atmos and its current customers in the unlikely event that Blue Star's future usage falls short of expectations and ends up being insufficient to justify the investment in the system.<sup>5</sup> Atmos stated that while Blue Star will be paying tariffed rates, the MMR is not specifically contemplated in the Company's tariff.<sup>6</sup>

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<sup>1</sup> 20 VAC 5-310-10 *et seq.*

<sup>2</sup> Application at 1.

<sup>3</sup> *Id.* at 2.

<sup>4</sup> *Id.* at 3.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

In support of its request for expedited approval, the Company stated that since Blue Star expects to be operational in or around August 2022, Atmos has already begun work on the system expansion in order to meet Blue Star's operational requirements.<sup>7</sup> Atmos further stated that the only item in the Contract for which the Company seeks Commission approval that is not already covered by the Company's existing tariffs is the provision implementing a MMR.<sup>8</sup>

On April 1, 2022, the Commission issued an Order for Notice and Comment that, among other things, provided for public notice of the Application; provided an opportunity for interested persons to comment or request a hearing on the Company's Application; and directed the Commission Staff ("Staff") to investigate the Application and file a report containing its findings and recommendations thereon ("Staff Report").

No comments, requests for hearing, or notices of participation were filed herein.

On May 13, 2022, Staff filed the Staff Report, noting that Staff did not oppose approval of the proposed Contract.<sup>9</sup> Staff further made the following findings: (1) the proposed Contract, including the MMR provision, is in the public interest; (2) the Contract will not jeopardize the continuation of reliable gas service to existing customers; and (3) based on Atmos' assumed financial results during the term of the MMR, the proposed special contract appears to cover the costs and provide Atmos its authorized system return on equity.<sup>10</sup> In the Staff Report, Staff also made the following recommendations: (1) other rate classes should be held harmless from all costs of Atmos' Contract with Blue Star, including undepreciated capital costs; (2) Atmos should develop and employ separate project codes or subaccounts to track all expenses and capital expenditures arising from the proposed system expansion and the costs to provide gas transportation service to Blue Star; and (3) Atmos should separately account for the income tax consequences arising from the proposed system expansion and the costs to provide gas transportation service to Blue Star.<sup>11</sup>

On May 20, 2022, Atmos filed a letter in response ("Response") to the Staff Report, which noted no objections to Staff's findings and recommendations,<sup>12</sup> but made one clarification regarding Staff's recommendation to separately account for certain income tax consequences. Atmos stated that, "[t]o the extent Staff's recommendation is for regulatory purposes and Staff does not intend for the Company to record the income tax consequences on its accounting books and records, and intends instead that the Company simply perform an equivalent calculation as part of its Annual Informational Filings or future rate filings during the term of the proposed minimum margin requirement, the Company has no objection to this recommendation."<sup>13</sup>

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the Contract protects the public interest, will not unreasonably prejudice or disadvantage any customer or class of customers, and will not jeopardize the continuance of reliable natural gas service, as required by Code § 56-235.2. Therefore, we find that the Company's Application should be granted, and the Contract approved, subject to the recommendations of Staff set forth in the Staff Report, as clarified by the Company in its May 20, 2022 Response.<sup>14</sup>

Accordingly, IT IS ORDERED THAT:

- (1) The Company's Application is granted, and the Contract approved, subject to the requirements described above.
- (2) This case is dismissed.

<sup>7</sup> *Id.* at 6-7.

<sup>8</sup> *Id.* at 6.

<sup>9</sup> Staff Report at 1.

<sup>10</sup> *Id.* at 1-2.

<sup>11</sup> *Id.*

<sup>12</sup> Atmos Response at 1.

<sup>13</sup> *Id.* at 1-2.

<sup>14</sup> As requested by Atmos, the Commission explicitly states that the scope of the separate accounting requirement is for regulatory purposes, and nothing in this Order shall require Atmos to separately record income tax consequences in its accounting books and records.

**CASE NO. PUR-2022-00044  
MARCH 28, 2022**

APPLICATION OF  
ZENITH SOLAR, LLC

To amend and reissue permit

**ORDER REISSUING PERMIT**

On March 18, 2022, Zenith Solar, LLC ("Zenith" or "Company"), formerly known as Shockoe Solar, LLC, filed an application ("Application") with the State Corporation Commission ("Commission") requesting that Permit No. ESP-SHKS-PIT-2021-A for Shockoe Solar, LLC to construct and operate a battery energy storage system, issued by the Commission in Case No. PUR-2021-00041, be cancelled and reissued in the name Zenith Solar, LLC. The Company submitted proof of its name change to Zenith Solar, LLC, with its Application.

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that the existing certificate in the name of Shockoe Solar, LLC should be cancelled and reissued in the name of Zenith Solar, LLC.

Accordingly, IT IS ORDERED THAT:

- (1) This case is docketed and assigned Case No. PUR-2022-00044.
- (2) The permit to construct and operate a battery storage system, Permit No. ESP-SHKS-PIT-2021-A, heretofore issued to Shockoe Solar, LLC is cancelled and shall be reissued in the name Zenith Solar, LLC.
- (3) This case is dismissed.

**CASE NO. PUR-2022-00045  
DECEMBER 9, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of incorporating language to establish a self-certification process for resources seeking to qualify as low-income projects pursuant to Code § 56-585.5 C, and considering additional GATS-related questions

**ORDER REVISING BUSINESS RULES**

During its 2020 Session, the Virginia General Assembly enacted Chapters 1193 (HB 1526) and 1194 (SB 851) of the 2020 Virginia Acts of Assembly. These duplicate Acts of Assembly, known as the Virginia Clean Economy Act ("VCEA"), became effective on July 1, 2020. The VCEA establishes a mandatory renewable energy portfolio standard program ("RPS Program") for investor-owned electric utilities in § 56-585.5 of the Code of Virginia ("Code"). To comply with the RPS Program, utilities must procure and retire renewable energy certificates ("RECs") originating from qualifying sources. Pursuant to Code § 56-585.5 C, Virginia Electric and Power Company ("Dominion" or "Company")

shall meet one percent of the RPS Program requirements in any given compliance year with solar, wind, or anaerobic digestion resources of one megawatt or less located in the Commonwealth, . . . and, to the extent that low-income qualifying projects are available, then no less than 25 percent of such one percent shall be composed of low-income qualifying projects ("Low-Income Qualifying Project Requirements").

Low-income qualifying projects are defined under Code § 56-585.5 A as "a project that provides a minimum of 50 percent of the respective electric output to low-income utility customers as that term is defined in [Code] § 56-576." Code § 56-576 defines a low-income utility customer as any person or household whose income is no more than 80 percent of the median income of the locality in which the customer resides, with the median income of the locality being determined by the United States Department of Housing and Urban Development.

Code § 56-585.5 D 4 also requires Dominion to submit annually to the State Corporation Commission ("Commission") a plan for meeting the RPS Program requirements and any requests for approval for the development of new solar and onshore wind generation capacity ("RPS Plan").

In Case No. PUR-2020-00134, Dominion submitted its first RPS Plan to the Commission ("2020 RPS Plan"). On April 30, 2021, the Commission issued its Final Order on the Company's 2020 RPS Plan ("2020 RPS Final Order").<sup>1</sup> As part of its 2020 RPS Final Order, the Commission directed Dominion to use a reasonable stakeholder process to further address the following questions related to low-income projects:<sup>2</sup>

- (1) How will the utility identify "low-income qualifying projects" that provide a minimum of 50% of the respective electric output to low-income utility customers as that term is defined in Code § 56-576?
- (2) Do these low-income qualifying projects physically deliver electric output to low-income utility customers as behind the meter facilities?
- (3) If the electric output from low-income qualifying projects is consumed behind the meter by low-income utility customers, does such generation/consumption create RECs and, if so, how is that output metered/measured and can these RECs be registered in PJM Interconnection, L.L.C.'s ("PJM") Generation Attribute Tracking System ("GATS")?<sup>3</sup>
- (4) If the electric output from potential low-income qualifying projects is injected into the grid, how can the utility determine that the projects provided a minimum of 50% of the respective electric output to low-income utility customers?

<sup>1</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, 2021 S.C.C. Ann. Rept. 242, Final Order (Apr. 30, 2021).

<sup>2</sup> The Commission first directed the Company to respond to these four questions, among others, in its July 10, 2020 Order Establishing 2020 RPS Proceedings. Certain parties had raised concerns with Dominion's original responses and requested that the Commission defer making determinations on this topic. We agreed the issue would benefit from further development through a stakeholder process. *See id.* at 246; *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, Doc. Con. Cen. No. 200710234, Order Establishing 2020 RPS Proceedings (July 10, 2020).

<sup>3</sup> PJM GATS is a registry and tracking service for environmental attributes, such as RECs, for every megawatt-hour of electricity produced from a generator that participates in GATS.

The Commission further directed in its 2020 RPS Final Order that Dominion shall report on its progress toward satisfying the Low-Income Qualifying Project Requirements in its next RPS Plan filing ("2021 RPS Plan").<sup>4</sup>

The Company convened stakeholders to address the questions related to low-income projects as directed by the Commission and submitted a report on the stakeholder process in its 2021 RPS Plan ("Report on Stakeholder Process").<sup>5</sup> In addition to providing responses to the four questions enumerated above, the stakeholders recommended that the Commission revise its GATS business rules ("GATS Business Rules") to add the following language:

For small distributed resources ( $\leq 1$  MW) that also qualify as low-income qualifying projects, GATS will add the suffix "-LIQP" after the appropriate fuel type, e.g., VA-#####-fueltype-D-LIQP. Owners of resources seeking to qualify as low-income qualifying projects must annually self-certify that the facility meets the established eligibility requirements by completing Appendix 3 to these [Business] Rules.

In its Final Order on the 2021 RPS Plan ("2021 RPS Final Order"), the Commission noted that a separate proceeding would be initiated to address the recommendations of the stakeholder group.<sup>6</sup> The Commission further found that additional GATS-related questions may be considered in that separate docket, as appropriate.<sup>7</sup>

Additionally, in Case No. PUR-2021-00064, the Commission established a docket to determine whether its GATS Business Rules needed to be revised to reflect new RPS Program requirements set forth in the VCEA. By Order dated September 30, 2021, the Commission revised the GATS Business Rules ("Order Revising GATS Business Rules").<sup>8</sup> These revisions included a requirement that electric investor-owned utilities report on REC retirements by April 30 of each year for the prior compliance year ("Business Rule 4").<sup>9</sup> In a motion dated March 18, 2022 in that docket, Dominion moved for a waiver of this requirement, stating it would not have the information necessary to determine its 2021 compliance obligation by April 30, 2022, because it would not receive information on accelerated renewable energy buyers ("ARBs") by that time ("Motion").<sup>10</sup> Instead, Dominion proposed to report on RPS Program compliance in its 2022 RPS Plan.<sup>11</sup> In its Motion, the Company stated that its request was limited to waiver of the upcoming April 30, 2022 deadline, but noted that there may be good cause for a revision to the GATS Business Rules to remove the April 30 annual deadline and to consolidate requirements for the Company to demonstrate RPS Program compliance in one place.<sup>12</sup> On April 7, 2022, the Commission granted Dominion's Motion.<sup>13</sup>

Further, in Case No. PUR-2020-00164, we held that RPS eligible RECs procured and retired by or on behalf of customers who elect to purchase electric supply service from competitive service providers ("CSPs") should be included in calculating the annual percentage of total electric energy sold from RPS eligible sources under Code § 56-585.5 C, which thus reduces the amount of RPS eligible RECs that must be procured and retired by the utility.<sup>14</sup> We found this means that, like utilities, CSPs must track and report the RECs procured and retired from RPS eligible sources.<sup>15</sup> Thus, in order to accurately determine its compliance obligations, and to comply with Business Rule 4, a utility must know how many eligible RECs have been procured by CSPs each year.

<sup>4</sup> 2020 RPS Final Order, 2021 S.C.C. Ann. Rept. at 242. The Commission also determined in its 2020 RPS Final Order that it would use GATS to track the RECs produced for RPS Program compliance. *Id.* at 245 n.23.

<sup>5</sup> Specifically, the Company attached the Report on Stakeholder Process to the rebuttal testimony of Company witness Nathan J. Frost as Rebuttal Schedule 1.

<sup>6</sup> *Petition of Virginia Electric and Power Company, For approval of the RPS Development Plan, approval and certification of the proposed CE-2 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, revision of rate adjustment clause, designated Rider CE, under § 56-585.1 A 6 of the Code of Virginia, and a prudence determination to enter into power purchase agreements pursuant to § 56-585.1:4 of the Code of Virginia*, Case No. PUR-2021-00146, Doc. Con. Cen. No. 220320113, Final Order at 12-13 (Mar. 15, 2022).

<sup>7</sup> *Id.* at 13.

<sup>8</sup> See *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of registering and retiring Virginia-eligible renewable energy certificates*, Case No. PUR-2021-00064, 2021 SCC. Ann. Rept. 458, Order Revising Business Rules (Sept. 30, 2021).

<sup>9</sup> *Id.* at 461.

<sup>10</sup> Motion at 1.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 6.

<sup>13</sup> As part of the Order on Motion for Limited Waiver of Business Rules, we found, "While the Company also suggests that there may be good cause to remove the April 30<sup>th</sup> annual deadline in [Business] Rule 4 and to consolidate the demonstration of RPS Program compliance in the annual [RPS Plan] proceeding, that relief is not sought in this Motion." See *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of registering and retiring Virginia-eligible renewable energy certificates*, Case No. PUR-2021-00064, Doc. Con. Cen. No. 220410128, Order on Motion for Limited Waiver of Business Rules at 4 (Apr. 7, 2022).

<sup>14</sup> *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Allocating RPS costs to certain customers of Virginia Electric and Power Company*, Case No. PUR-2020-00164, 2021 S.C.C. Ann. Rept. 270, Final Order (Sept. 23, 2021).

<sup>15</sup> *Id.*

In addition, in its Order Revising GATS Business Rules in Case No. PUR-2021-00064, the Commission found that "is understood and expected that all generators will utilize a revenue-quality meter that meets the ANSI C-12 standard to measure and report associated generation and corresponding REC values" ("Business Rule 5").<sup>16</sup> During Dominion's 2021 RPS Plan proceeding, certain parties raised the issue of whether a revenue grade meter should be required for smaller-sized systems. The Commission did not make a determination on this issue in the 2021 RPS Final Order but found that such questions may appropriately be considered in a separate docket.<sup>17</sup>

On April 14, 2022, the Commission issued an Order for Comment in the instant docket, which established the case and provided interested persons the opportunity to address the following:

- Any concerns or suggested edits to the stakeholders' recommended language related to low-income qualifying projects:

For small distributed resources ( $\leq 1$  MW) that also qualify as low-income qualifying projects, GATS will add the suffix "-LIQP" after the appropriate fuel type, e.g., VA-#####-fueltype-D-LIQP. Owners of resources seeking to qualify as low-income qualifying projects must annually self-certify that the facility meets the established eligibility requirements by completing Appendix 3 to these [Business] Rules.

- Whether the owners of resources seeking to qualify as low-income qualifying projects should self-certify using a process similar to the process in place for owners of resources seeking to qualify as small distributed resources, as described in Business Rule 2. To accomplish this, does any additional information need to be added to the stakeholders' recommended language, or are any changes to Appendix 3 needed?
- Whether owners of resources seeking to qualify as low-income qualifying projects must annually self-certify, and, if so, explain why annual certification is necessary.
- Whether the date of the annual report required in Business Rule 4 should be amended or removed, and whether electric investor-owned utilities should demonstrate RPS Program compliance in the annual report to the Commission's Division of Public Utility Regulation required in Business Rule 4, in the utility's RPS Plan, or in a different proceeding.
- Whether utilities are receiving and incorporating the CSP REC procurement and retirement information necessary to comply with Business Rule 4, and whether such information should be examined in the report provided to the Commission's Division of Public Utility Regulation required in Business Rule 4, in the utility's RPS Plan, or in a different proceeding.
- Whether a revenue grade meter should be required for all systems, including smaller-sized systems. If not, what should the appropriate capacity threshold be for requiring a revenue grade meter?
- Whether there are any additional concerns related to the GATS Business Rules that the Commission should consider at this time.

On June 8, 2022, comments were filed by Dominion; Carbon Solutions Group; Secure Futures, LLC ("Secure Futures"); Direct Energy Business, LLC, and Direct Energy Services, LLC (collectively, "Direct Energy"); Sol Systems, LLC ("Sol Systems"); and Virginia Distributed Solar Alliance ("VDSA").

On July 26, 2022, the Commission issued an Order for Additional Comment, which directed Commission Staff ("Staff") to file a report ("Staff Report") on the issues raised in this proceeding and provided an opportunity for Dominion or any interested person to file comments in response to the Staff Report or any other previously submitted comments.

Staff filed its Staff Report on September 22, 2022. SRECTrade; Carbon Solutions Group; Dominion; and Sol Systems filed comments on or before October 20, 2022.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the revised Business Rules attached hereto as Attachment A should be approved, effective on and after January 1, 2023, as discussed herein. In developing these revisions, we have fully considered and weighed all comments presented in this matter in support of each participant's proposals or suggestions, including those provided by Staff. The Commission expresses appreciation to all those who submitted written comments.

#### Amendment to GATS Business Rule for Low-Income Qualifying Projects

As described above, in the Report on Stakeholder Process the stakeholder group recommended the Commission add the following language to the GATS Business Rules:

For small distributed resources ( $\leq 1$  MW) that also qualify as low-income qualifying projects, GATS will add the suffix "-LIQP" after the appropriate fuel type, e.g., VA-#####-fueltype-D-LIQP. Owners of resources seeking to qualify as low-income qualifying projects must annually self-certify that the facility meets the established eligibility requirements by completing Appendix 3 to these [Business] Rules.

<sup>16</sup> See Order Revising GATS Business Rules at Attachment A, p. A-3.

<sup>17</sup> See 2021 RPS Final Order at 13.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Subsequently, PJM Environmental Informational Services, Inc. ("PJM EIS"), the owner and administrator of GATS, who was not part of the original stakeholder process, has expressed concerns with its ability to manage the self-certification process as originally proposed by the stakeholder group.<sup>18</sup> PJM EIS therefore recommends deleting the language from the stakeholder group relating to annual self-certification and Appendix 3 completion requirements, and has proposed alternative language which addresses its concerns.<sup>19</sup>

We find that having PJM EIS manage the self-certification process would support efficiency and would beneficially streamline the certification process.<sup>20</sup> We therefore determine that the language included in the GATS Business Rules concerning low-income qualifying projects should address the concerns raised by PJM EIS. We further agree with Carbon Solutions Group, Secure Futures, and VDSA that annual self-certification would increase the costs to, and administrative burdens borne by, participants.<sup>21</sup> In addition, we find that annual certification is not necessary at this time as registrants are already required by GATS' terms and conditions to provide notification of any change in the status of a registered resource.<sup>22</sup>

For the reasons discussed above, we find that the language proposed by PJM EIS is reasonable and appropriate.<sup>23</sup> We therefore adopt the following language,<sup>24</sup> to become Business Rule 3:<sup>25</sup>

For small distributed resources ( $\leq 1$  MW) that also qualify as low income qualifying projects, GATS will add the suffix "-LIQP" after the appropriate fuel type, e.g., VA-#####-fueltype-D-LIQP. Owners of resources seeking to qualify as low-income qualifying projects must self-certify that the facility meets the established eligibility requirements by electronically attesting to the following language in GATS.

I ATTEST that this facility qualifies for the "Low Income Qualifying Project" designation because:

- It is a behind-the-meter facility that supplies its output directly to "low-income utility customers" as defined in Va. Code § 56-576. The facility is behind the meter of an individual who meets the definition of "low-income utility customer" or behind a master meter of a residential complex whose residents meet the definition of "low-income utility customer."

OR

- It is a front-of-the-meter facility that supplies its output to low-income customers through the established Dominion Energy Virginia community solar, shared solar, or multi-family shared solar programs, and it supplies a minimum of 50% of its output to subscribers that meet the definition of "low income utility customers" in Va. Code § 56-576.

I AGREE to notify the SCC Staff and the GATS Administrator within 30 days if the facility no longer satisfies the requirements above for the "Low Income Qualifying Project" designation.<sup>26</sup>

### Annual Reports

Under the current requirements of Business Rule 4, electric investor-owned utilities must report, by April 30<sup>th</sup> each year, on the utility's REC retirements towards meeting annual RPS requirements ("Annual Compliance Report"). Dominion has requested that the Company file its Annual Compliance Report in the Company's annual RPS Plan proceeding, which historically has been filed on or after September 1<sup>st</sup>, rather than on April 30<sup>th</sup> of each year.<sup>27</sup>

<sup>18</sup> See Staff Report at 8-11.

<sup>19</sup> *Id.*

<sup>20</sup> See *id.* at 10-11.

<sup>21</sup> See Carbon Solutions Comments at 2 (June 8, 2022); Secure Futures Comments at 2 (June 8, 2022); VDSA Comments at 4-5 (June 8, 2022).

<sup>22</sup> Staff Report at 10, 12. While Dominion recommended that owners of resources seeking to qualify as low-income qualifying projects be required to re-certify annually to ensure that the resources indeed serve low-income utility customers, the Company stated that it "defers to the Commission on the necessary safeguards." See Dominion Comments at 3 (Oct. 20, 2022).

<sup>23</sup> We further find that a process to challenge potentially inaccurate self-certified resources is unnecessary at this time as a registrant, upon registration of a resource with PJM EIS, is already required to attest that the information provided is true and correct, and PJM EIS states it would terminate any account should it determine that a registrant was not truthful when registering a resource. See Staff Report at 10-12; Secure Futures Comments at 2 (June 8, 2022); VDSA Comments at 4 (June 8, 2022).

<sup>24</sup> In adopting this language set forth herein, we reject the language proposed by the stakeholder group as well as the proposed Appendix 3.

<sup>25</sup> The GATS Business Rules shall be renumbered as necessary as a result of this amendment, though, for clarity, throughout this Order we shall refer to any newly numbered Business Rules by their previous designations.

<sup>26</sup> We further find that the following language should be stricken from Business Rule 3: "Low-income qualifying projects as defined in § 56-585.5 A and addressed in § 56-585.5 C are not separately designated in GATS at this time."

<sup>27</sup> See Dominion Comments at 5 (June 8, 2022); Dominion Comments at 3-4 (Oct. 20, 2022).

We concur with Dominion that such a change is reasonable, as the annual list of ARBs is integral to the completion of the Annual Compliance Report and the Report's current April 30<sup>th</sup> due date precedes the annual ARB certification deadline.<sup>28</sup> We therefore find that the final sentence in Business Rule 4 should be amended as follows:

Electric investor-owned utilities should retire RECs to meet their respective annual RPS requirements for the prior calendar year, or compliance year, and report such information to the Director of the Commission's Division of Public Utility Regulation by April 30<sup>th</sup> of each year.<sup>29</sup>

We further direct Dominion to file its Annual Compliance Report as part of its annual RPS Plan petition.<sup>30</sup>

#### Amendment to Self-Certification Designations for Small Distributed Resources

Under current Business Rule 2, GATS will review the self-certifications of small distributed resources and apply the suffix "D" to RECs created by such facilities. Pursuant to the Business Rules, GATS can retroactively apply the suffix "-D" for RECS created on or after January 2021. However, since RECs meeting the criteria set forth in Code § 56-585.5 C can be used for RPS compliance for the calendar year in which the generation occurred, or, for RECs created in 2016 and thereafter, within the subsequent five calendar years, Dominion recommends that Business Rules be modified to instruct GATS to also apply the suffix "-D" to RECs created between 2016 and 2020 by facilities that self-certified in 2021 that they met the small distributed resources eligibility requirements.<sup>31</sup> No other commenter opposed Dominion's proposal, though Staff recommended certain limitations and modifications to the proposal.<sup>32</sup>

We find that the current Business Rule 4 should be amended to add the following language: "Any eligible RECs from small distributed facilities created during this period should be given the appropriate suffix as described in Business Rule 2."<sup>33</sup>

#### Revenue Grade Meters

GATS Business Rule 5 currently states, "[i]t is understood and expected that all generators will utilize a revenue-quality meter that meets the ANSI C-12 standard to measure and report associated generation and corresponding REC values." Certain commenters supported continuing to require a revenue grade meter for all systems, including smaller-sized systems, while other commenters stated that such a requirement for small systems would be cost prohibitive and recommended that systems less than 1 MW, or systems interconnected prior to September 30, 2021, be allowed to instead use estimates.<sup>34</sup> As we indicated in our Final Order in Case No. PUR-2021-00064, the Commission expects the same level of accuracy from all generators.<sup>35</sup> Thus, after weighing all of the arguments on this issue, the Commission finds it is appropriate to continue to require generators to utilize a revenue-quality meter to measure and report associated generation and corresponding REC values for all systems, including smaller-sized systems. We therefore do not adopt any amendments to Business Rule 5 at this time.

Finally, to the extent that a requested revision by any participant in this proceeding is not specifically addressed above, such omission herein does not preclude participants from recommending the same or similar changes in future proceedings.<sup>36</sup>

Accordingly, IT IS ORDERED THAT:

- (1) The Business Rules, as revised, are hereby approved effective on and after January 1, 2023.

<sup>28</sup> See Staff Report at 14; Dominion Comments at 5 (June 8, 2022); Dominion Comments at 3-4 (Oct. 20, 2022). The current annual ARB certification deadline is May 1<sup>st</sup>.

<sup>29</sup> See Dominion Comments at 5 (June 8, 2022); Dominion Comments at 3-4 (Oct. 20, 2022).

<sup>30</sup> Similarly, the Commission will consider the compliance of Appalachian Power Company ("APCo") in its annual RPS Plan filing. See *Petition of Appalachian Power Company For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests*, Case No. PUR-2021-00206, Doc. Con. Cen. No. 220720045, Final Order at 7 (July 15, 2022) ("Certification of RPS compliance will commence in [APCo's] 2022 RPS Filing for calendar year 2021.").

<sup>31</sup> See Dominion Comments at 9-10 (June 8, 2022).

<sup>32</sup> See Staff Report at 17-18.

<sup>33</sup> We note that Dominion in its Comments requested "a minor modification to Business Rule 2 to instruct GATS to also apply the suffix "D" to RECs created between 2016 and 2020 by facilities that self-certified in 2021 that they met the small distributed resources." See Dominion Comments at 9. However, neither the Company nor any other party provided any specific revisions to the text of *Business Rule 2*. Further, we find that such additional language is not needed at this time, given the language already included in Business Rule 4.

<sup>34</sup> See, e.g., Dominion Comments at 8 (June 8, 2022); Secure Futures Comments at 3 (June 8, 2022); VDSA Comments at 5 (June 8, 2022); SolSystems Comments at 1-2 (June 8, 2022); SRECTrade Comments at 1-2 (Oct. 14, 2022); Carbon Solutions Group Comments at 1-3 (Oct. 20, 2022).

<sup>35</sup> See Order Revising Business Rules, 2021 S.C.C. Ann. Rept. at 462.

<sup>36</sup> As part of the April 14, 2022 Order for Comment, we sought input as to whether utilities are receiving and incorporating REC procurement and retirement information from CSPs as necessary to comply with Business Rule 4, and whether such information should be examined in the Annual Compliance Report, in the utility's annual RPS Plan petition, or in a different proceeding. See also Direct Energy Comments at 2-3 (June 8, 2022); Dominion Comments at 7-8 (June 8, 2022). Similar issues have been raised on other dockets, including Case No. PUR-2021-00156 and Case No. PUR-2022-00124. Based on the record developed herein, we decline to address this issue further at this time; however, we find that such issue may be further addressed in a different proceeding.



- (2) A copy of this Order and the attached Business Rules forthwith shall be posted on the website of the Division of Public Utility Regulation.
- (3) This case is dismissed.

NOTE: A copy of Attachment A entitled "Revised Business Rules Issuing VA-Approved Renewable Energy Certificates pursuant to 2020 Virginia Clean Economy Act " is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. PUR-2022-00047  
DECEMBER 16, 2022**

APPLICATION OF  
ATMOS ENERGY CORPORATION

For approval of a SmartChoice Carbon Offset Rider pursuant to § 56-236 of the Code of Virginia

**FINAL ORDER**

On March 25, 2022, Atmos Energy Corporation ("Atmos" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-236 of the Code of Virginia, requesting approval for a new proposed SmartChoice Carbon Offset Rider ("SCCO Rider" or "SmartChoice Program"). The Company states that the SmartChoice Program is designed to give certain residential and non-residential customers the voluntary option to offset some or all of the carbon emissions associated with their natural gas usage through the Company's purchase of carbon offsets.<sup>1</sup> The Application includes a proposed Purchase Carbon Offset Adjustment ("PCOA") filing, similar to the Company's purchased gas adjustment filing, providing for administrative review of the balance of revenues and costs under SmartChoice at least once every twelve months.<sup>2</sup>

On April 19, 2022, the Commission issued an Order for Notice and Comment that, among other things, provided for public notice of the Application; provided an opportunity for interested persons to comment or request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing its findings and recommendations thereon ("Staff Report").

No comments, requests for hearing, or notices of participation were filed herein. Staff filed its Staff Report on June 21, 2022. Atmos filed its response to the Staff Report on July 8, 2022.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that, based on the record in this case, the Company's Application for an SCCO Rider should be denied at this time. In reaching this decision, the Commission has carefully weighed the evidence. Among other things, the Commission is concerned that, as designed, the final administrative costs of the SmartChoice Program, which Atmos estimates will be approximately 40% of the costs of procuring the carbon credits, depend in large part upon future approval of, and the resulting participation levels in, the SCCO Rider in all seven jurisdictions where Atmos provides service to customers.<sup>3</sup> In addition, the Commission finds the following weigh against approval:<sup>4</sup>

- Atmos has not yet decided whether to contract with a third party or to perform these functions in-house, making any analysis of administrative costs uncertain and potentially premature;<sup>5</sup>
- The Company's intent to assess carrying costs on the carbon credit inventory, deferred administrative costs and any over/under recoveries (which was not disclosed in the Application) is not fully developed, giving rise to cost uncertainty;<sup>6</sup> and
- If program costs are higher and/or participation levels are lower than modeled by the Company for the SmartChoice Program, there are no guardrails to protect Virginia participants from potentially limitless PCOA true-up charges.<sup>7</sup>

This decision is without prejudice for Atmos to renew such a request in the future when more information, and more certainty, about the proposed program is available.

Accordingly, IT IS ORDERED THAT the Application is denied, and this matter is dismissed without prejudice.

<sup>1</sup> Application at 1-2; Direct Testimony of Company witness Gary L. Smith ("Smith Direct") at 5-14.

<sup>2</sup> See, e.g., Application at 4; Smith Direct at 10-11.

<sup>3</sup> See, e.g., Staff Report at 8-12, 16.

<sup>4</sup> The Commission further finds that implementation of the proposed SCCO Rider as a pilot program would not sufficiently address these shortcomings. See *id.* at 2; Atmos Response at 2-3, 8-12.

<sup>5</sup> See, e.g., Staff Report at 10, 16; Atmos Response at 11 (acknowledging that Virginia is the first state in which the Company filed an application for the SCCO Rider). While Atmos indicates that the Tennessee Public Utility Commission has approved the program, there is no evidence in the record regarding the remaining jurisdictions. See Atmos Response at 11.

<sup>6</sup> See, e.g., Staff Report at 15-16.

<sup>7</sup> See, e.g., *id.* at 11-12, 17.

**CASE NO. PUR-2022-00048  
APRIL 27, 2022**

APPLICATION OF  
BARC ELECTRIC COOPERATIVE

For approval of a general increase in electric rates

**ORDER FOR NOTICE AND HEARING**

On April 1, 2022, BARC Electric Cooperative ("BARC" or the "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a general increase in electric rates. BARC filed this Application pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia ("Code") and 5 VAC 5-20-80 A of the Rules of Practice and Procedure of the Commission.<sup>1</sup>

In support of its Application, BARC states that a rate increase is needed to pay expenses, service debt, fund capital additions, retire patronage, and maintain the financial goals established by BARC's Board of Directors.<sup>2</sup> BARC requests a two-phase rate increase that would generate \$1.93 million in revenue over a two-year period.<sup>3</sup> The Cooperative proposes to increase its jurisdictional revenue by \$1.16 million in Phase 1, beginning January 1, 2023, and by an additional \$0.767 million in Phase 2, beginning January 1, 2024, to achieve a \$25,405,240 annual revenue requirement.<sup>4</sup> BARC states that the proposed increase would result in total rate year<sup>5</sup> jurisdictional margins of \$1.78 million and a 2.24x jurisdictional TIER.<sup>6</sup>

BARC proposes to introduce a demand charge to the distribution service portion of proposed Schedule A-U and Schedule B-U of \$0.05 per kW with billing deferred until new metering technology is installed for all affected members.<sup>7</sup> The estimated \$55,844 demand charge revenue is included in the proposed rate year revenue, but BARC is proposing to forgo that revenue until the demand charges can be billed with the new metering technology.<sup>8</sup> The Cooperative states that recovering demand costs by applying demand charges is a more cost-based method than recovering demand costs through energy consumption charges.<sup>9</sup>

BARC is also seeking approval of Schedule ROW, a temporary rider to Schedule A-U, which it states is designed to pass through the portion of right-of-way cost included in base rates that will be transferred to BARC Connects in 2023.<sup>10</sup> Specifically, Schedule ROW is designed to credit \$767,045 to Schedule A-U customers in 2023, the first year that the proposed rates will be effective.<sup>11</sup>

The Cooperative also requests approval of a new Schedule EF-Excess Facilities, which is designed for use when excess facilities are requested by members. The Cooperative states that Schedule EF includes fixed charged rates designed to recover the Cooperative's carrying costs for excess facilities based on the type of plant installed and depending upon whether the Cooperative or the customer is the source of the initial capital for construction.<sup>12</sup>

The Cooperative requests that its proposed rates and charges be approved and that the Commission authorize such rates to be put into effect for bills rendered on and after January 1, 2023, as interim rates subject to refund, if necessary, as provided in Code § 56-238.<sup>13</sup> Under the Cooperative's proposed increase, a typical residential customer using 1,000 kWh of electricity each month would experience a monthly Phase 1 bill increase of \$8.22 (5.87%), from \$140.01 to \$148.23, and a Phase 2 bill increase of \$5.77 (3.89%), from \$148.23 to \$154.00.<sup>14</sup>

<sup>1</sup> 5 VAC-5-20-10 *et seq.*

<sup>2</sup> Application at 3.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*; *See*, Pre-filed Direct Testimony of Chris Botulinski ("Botulinski Direct").

<sup>5</sup> BARC states that the rate year is calendar year 2023. Application at 3.

<sup>6</sup> *Id.* at 3. The Cooperative clarifies that it is not requesting that the Commission set a TIER of 2.24x and adjust its proposed rates to that TIER. BARC requests that the Commission approve the rates as proposed, provided that the resulting TIER is within a reasonable rate that would normally be recommended for electric distribution cooperatives in Virginia. *Id.*

<sup>7</sup> *Id.* at 4; Prefiled Direct Testimony of Jack D. Gaines ("Gaines Direct") at 27.

<sup>8</sup> Gaines Direct at 27.

<sup>9</sup> Application at 4.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 5.

<sup>12</sup> Botulinski Direct at 8; Gaines Direct at 36.

<sup>13</sup> Application at 10.

<sup>14</sup> *Id.* at 4.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that BARC should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Cooperative's Application; a procedural schedule should be established to allow interested persons an opportunity to comment on the Cooperative's Application or to participate in this proceeding as a respondent; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.<sup>15</sup> Consistent with these actions, 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.

We note that the proposed rates, if approved, would result in an increase to customer bills. We realize that the ongoing COVID-19 public health issues have caused devastating economic effects that impact utility customers. We have responded to this economic emergency by, among other actions, directing Virginia utilities to offer extended payment plans, without late fees for those who are current on such plans, to protect customers from service disconnection. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record. We will allow, but not require, BARC, as requested, to implement its proposed rates for bills rendered on and after January 1, 2023, on an interim basis and subject to refund with interest.

Accordingly, IT IS ORDERED THAT:

- (1) This case is docketed and assigned Case No. PUR-2022-00048.
- (2) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedures before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),<sup>16</sup> a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report. 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.<sup>17</sup>
- (3) BARC may, but is not obligated to, implement its proposed rates for bills rendered on and after January 1, 2023, on an interim basis and subject to refund with interest.
- (4) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the 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.<sup>18</sup>
- (5) 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 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.
- (6) The Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Application, as follows:
  - A hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on November 15, 2022, with no witness present in the Commission's courtroom.<sup>19</sup>
  - To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.

<sup>15</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

<sup>16</sup> 5 VAC 5-20-10 *et seq.*

<sup>17</sup> Such electronic copies shall be sent to: [Wendv.Starkey@scc.virginia.gov](mailto:Wendv.Starkey@scc.virginia.gov) and [LeaAnn.Robertson@scc.virginia.gov](mailto:LeaAnn.Robertson@scc.virginia.gov).

<sup>18</sup> As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

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

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- On or before November 10, 2022, 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](https://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141.
- Beginning at 10 a.m., on November 15, 2022, the Commission 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.
- This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](https://scc.virginia.gov/pages/Webcasting).

(7) A hearing shall be convened on November 16, 2022, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony and evidence of the Cooperative, any respondents, and the Staff.

(8) An electronic copy of the Cooperative's Application may be obtained by submitting a written request to counsel for BARC, Eric M. Page, Esquire, Eckert Seamans Cherin & Mellott, LLC, 919 East Main Street, Suite 1300 Richmond, Virginia 23219, or [epage@eckertseamans.com](mailto:epage@eckertseamans.com). Interested persons also may download unofficial copies from the Commission's website: <https://scc.virginia.gov/pages/Case-Information>.

(9) On or before June 30, 2022, BARC shall cause the following notice to be published *Cooperative Living* magazine:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
BARC ELECTRIC COOPERATIVE, FOR APPROVAL OF A  
GENERAL INCREASE IN ELECTRIC RATES  
CASE NO. PUR-2022-00048

On April 1, 2022, BARC Electric Cooperative ("BARC" or the "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a general increase in electric rates. BARC filed this Application pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia ("Code") and 5 VAC 5-20-80 A of the Rules of Practice and Procedure of the Commission.

In support of its Application, BARC states that a rate increase is needed to pay expenses, service debt, fund capital additions, retire patronage, and maintain the financial goals established by BARC's Board of Directors. BARC requests a two-phase rate increase that would generate \$1.93 million in revenue over a two-year period. The Cooperative proposes to increase its jurisdictional revenue by \$1.16 million in Phase 1, beginning January 1, 2023, and by an additional \$0.767 million in Phase 2, beginning January 1, 2024, to achieve a \$25,405,240 annual revenue requirement. BARC states that the proposed increase would result in total rate year jurisdictional margins of \$1.78 million and a 2.24x jurisdictional TIER.

BARC proposes to introduce a demand charge to the distribution service portion of proposed Schedule A-U and Schedule B-U of \$0.05 per kW with billing deferred until new metering technology is installed for all affected members. The estimated \$55,844 demand charge revenue is included in the proposed rate year revenue, but BARC is proposing to forgo that revenue until the demand charges can be billed with the new metering technology. The Cooperative states that recovering demand costs by applying demand charges is a more cost-based method than recovering demand costs through energy consumption charges.

BARC is also seeking approval of Schedule ROW, a temporary rider to Schedule A-U, which it states is designed to pass through the portion of right-of-way cost included in base rates that will be transferred to BARC Connects in 2023. Specifically, Schedule ROW is designed to credit \$767,045 to Schedule A-U customers in 2023, the first year that the proposed rates will be effective.

The Cooperative also requests approval of a new Schedule EF-Excess Facilities, which is designed for use when excess facilities are requested by members. The Cooperative states that Schedule EF includes fixed charged rates designed to recover the Cooperative's carrying costs for excess facilities based on the type of plant installed and depending upon whether the Cooperative or the customer is the source of the initial capital for construction.

The Cooperative requests that its proposed rates and charges be approved and that the Commission authorize such rates to be put into effect for bills rendered on and after January 1, 2023, as interim rates subject to refund, if necessary, as provided in Code § 56-238. Under the Cooperative's proposed increase, a typical residential customer using 1,000 kWh of electricity each month would experience a monthly Phase 1 bill increase of \$8.22 (5.87%), from \$140.01 to \$148.23, and a Phase 2 bill increase of \$5.77 (3.89%), from \$148.23 to \$154.00.

For more detailed information about the Cooperative's proposals, interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals. While the total revenue that may be approved by the Commission is limited to the amount produced by the Cooperative's proposed rates, TAKE NOTICE that the Commission may approve revenues and adopt rates, fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the 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 takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

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.

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

The Commission entered an Order for Notice and Hearing that, among other things, permits BARC to place its proposed rates, charges, and terms and conditions of service into effect, subject to refund, for bills rendered on and after January 1, 2023.

The Commission's Order for Notice and Hearing scheduled public hearings on BARC's Application. On November 15, 2022, at 10 a.m., the Commission will hold a telephonic hearing, with no witness present in the Commission's courtroom, for the sole purpose of receiving the testimony of public witnesses. On or before November 10, 2022, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by email to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

On November 16, 2022, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, the Commission will convene a hearing to receive testimony and evidence related to the Application from the Cooperative, any respondents, and the Commission's Staff.

An electronic copy of BARC's Application may be obtained from BARC by submitting a written request to counsel for the Cooperative, Eric M. Page, Eckert Seamans Cherin & Mellot, LLC, 919 East Main Street, Suite 1300, [epage@eckertseamans.com](mailto:epage@eckertseamans.com). Interested persons also may download unofficial copies from the Commission's website: <https://scc.virginia.gov/pages/Case-Information>.

On or before November 9, 2022, 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](http://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-2022-00048.

Any person or entity may participate as a respondent in this proceeding by filing, on or before July 22, 2022, a notice of participation with the Clerk of the Commission at [scc.virginia.gov/clk/efiling](http://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. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Cooperative at the address set forth above. 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-2022-00048. Interested persons should obtain a copy of the Commission's Order for Notice and Hearing for further details on participation as a respondent.

On or before September 2, 2022, each respondent may file with the Clerk of the Commission and serve on the Commission's Staff, the Cooperative, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00048.

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 Rules of Practice.

The Cooperative's Application, the Commission's Rules of Practice, the Commission's Order for Notice and Hearing, and other documents filed in the case may be viewed on the Commission's website at [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

## BARC ELECTRIC COOPERATIVE

(10) On or before June 30, 2022, BARC shall serve a copy of its Application and this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town in which the Cooperative provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(11) On or before July 22, 2022, BARC shall file proof of the notice and service required by Ordering Paragraphs (9) and (10), 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 <https://scc.virginia.gov/clk/efiling/>.

(12) On or before November 9, 2022, any interested person may submit comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](https://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 Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2022-00048.

(13) On or before July 22, 2022, 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](https://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 (12). Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Cooperative. 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-2022-00048.

(14) Within five (5) business days of receipt of a notice of participation as a respondent, the Cooperative shall serve a copy of the Application upon the respondent.

(15) On or before September 2, 2022, each respondent may file with the Clerk of the Commission at [scc.virginia.gov/clk/efiling](https://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 (12). Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Staff, the Cooperative and all other respondents simultaneous with its filing. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00048.

(16) On or before September 30, 2022, the Staff shall investigate the Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Cooperative and all respondents.

(17) On or before October 21, 2022, BARC 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 Cooperative shall serve a copy of its rebuttal testimony and exhibits on the Staff and all respondents.

(18) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

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

(20) This matter is continued.

<sup>20</sup> The assigned Staff attorney is identified on the Commission's website, <https://scc.virginia.gov/pages/Case--Information>, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00048 in the appropriate box.

**CASE NO. PUR-2022-00050**  
**APRIL 15, 2022**

APPLICATION OF  
COMMUNITY ELECTRIC COOPERATIVE

For approval to obtain financing

**ORDER GRANTING AUTHORITY**

On April 5, 2021, Community Electric Cooperative (the "Cooperative") completed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> for approval of a loan. The Cooperative has paid the requisite filing fee of \$250.

<sup>1</sup> Virginia Code § 56-55 *et seq.*

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Cooperative is seeking authority to issue long-term debt in connection with a loan from the National Rural Utilities Cooperative Finance Corporation ("CFC") in the amount of \$10,000,000 ("CFC Loan"). The Cooperative states that the CFC Loan proceeds will be used to finance upcoming construction in its Construction Work Plan. The Application states that borrowings under the CFC Loan may be drawn for a period of five years, with a 35-year term for each advance. The interest rates on CFC Loan borrowings will be the CFC rate in effect at the time of each advance.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

- (1) The Cooperative is authorized to enter into the CFC Loan subject to certain conditions outlined in the Appendix attached to this order.
- (2) This case is dismissed.

## APPENDIX A

1. The Cooperative shall be authorized to borrow up to \$10,000,000 from the CFC.
2. The Commission's approval shall have no accounting or ratemaking implications.
3. The Cooperative shall submit a Report of Action within thirty (30) days of the date of any CFC Loan borrowings to the Director of the Division of Utility Accounting and Finance, subject to administrative extension. Any report shall include the amount borrowed and the associated interest rate

**CASE NO. PUR-2022-00052  
SEPTEMBER 2, 2022**

APPLICATION OF  
VIRGINIA NATURAL GAS, INC.

For a general rate increase and for authority to revise the terms and conditions applicable to natural gas service

**ORDER FOR NOTICE AND HEARING**

On August 1, 2022, Virginia Natural Gas, Inc. ("VNG" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Gas and Water Utilities,<sup>1</sup> requesting authority to increase its rates and charges<sup>2</sup> effective for usage beginning January 1, 2023, and to revise other terms and conditions applicable to its gas service ("Application").<sup>3</sup> Specifically, VNG states that the proposed rates and charges are designed to increase the Company's annual rate base revenue by approximately \$69.3 million per year.<sup>4</sup>

The Application states the requested increase includes approximately \$15 million of revenues associated with the Company's Steps to Advance Virginia's Energy ("SAVE") plan pursuant to Code § 56-603 *et seq.* ("SAVE Act").<sup>5</sup> VNG states that it is proposing to include recovery of the costs associated with approximately \$176 million of cumulative SAVE investments as of December 31, 2022, in base rates, as permitted by the SAVE Act.<sup>6</sup>

<sup>1</sup> 20 VAC 5-201-10 *et seq.* ("Rate Case Rules").

<sup>2</sup> On April 7, 2022, VNG filed in this docket, a Motion for a Waiver of Requirement to File an Annual Informational Filing for 2021, stating the Company's intent to file this rate case on or after August 1, 2022. On April 11, 2022, the Commission docketed this proceeding and granted VNG's motion on the condition that VNG file a rate application as anticipated. *See Application of Virginia Natural Gas, Inc., For an Annual Informational Filing for 2021*, Case No. PUR-2022-00052, Doc. Con. Cen. No. 220410189, Order on Request for Waiver at 2-3 (Apr. 11, 2022).

<sup>3</sup> Application at 1, 9-10. VNG states that its proposed tariff and rate schedule revisions to VNG's Terms and Conditions and Schedules for Supplying Gas in Filing Schedule 41, reflect an effective date of January 1, 2023, to account for the expectation that the Commission will suspend rates, charges and terms and conditions proposed in this Application for 150 days under Code § 56-238, and permit the Company to implement them, on an interim basis subject to refund, on January 1, 2023. *Id.* at 7.

<sup>4</sup> *Id.* at 1.

<sup>5</sup> *Id.* at 3; Direct Testimony of Gary Tucker at 2-3, 13. *See also* Code § 56-603 *et seq.*

<sup>6</sup> Application at 3.

The Company states that it is not earning sufficient annual revenues to cover its cost of service, including a reasonable return on common equity capital.<sup>7</sup> VNG indicates that the revenue requirement requested is driven in large part by increases to the Company's rate base since its last rate case in 2020 ("2020 Rate Case")<sup>8</sup> and those projected to occur during the 12-month period ending December 31, 2023 ("Rate Year"), including capital costs associated with infrastructure projects, and changes in VNG's operating costs as it continues to expand oversight of field operations, implement programs to enhance customer satisfaction, modernize its compliance and recordkeeping systems, and engage in community outreach and safety education initiatives.<sup>9</sup>

According to the Company, its proposed rate increase is based on a return on common equity ("ROE") of 10.35%.<sup>10</sup> Per VNG, its proposed weighted cost of capital for the Rate Year is 7.68% (based on the 10.35% proposed ROE) with a capital structure of 53.2% equity and 46.8% total debt.<sup>11</sup> VNG further requests recovery of two regulatory assets: (1) for the pipeline safety initiatives costs deferred in 2018 and 2019, totaling \$300,000; and (2) for deferred COVID-related costs and foregone late fees in 2020 and 2021, totaling \$3,582,212 (the COVID deferral includes carrying charges on any deferred balances for 2020 through 2022), pursuant to the Stipulation approved by the Commission in VNG's 2020 Rate Case.<sup>12</sup>

VNG is proposing revisions to the Terms and Conditions of its existing Tariff including: Sections I, III, VI, VII, X and XIX for clarity and uniformity purposes; Section XVIII, to expand its existing Commission-approved practice of providing up to 100 feet of service line from the main to the customer's meter without charge, to also include certain customers installing any two natural gas appliances; and Section XX, to update the System Peak Day Firm Sales Volume, Demand Charge Allocation Factors, and the target margin for the Margin Sharing Adjustment.<sup>13</sup>

The Company also proposes to update Riders B, C, and D to apply the rates and consumption patterns proposed by the Company in this filing to reflect the Weather Normalization Adjustment and the Revenue Normalization Adjustment.<sup>14</sup> The Company further proposes to update Rider E to reflect that existing SAVE Rider related costs are included in the Rate Year revenue requirement and will be recovered in base rates, not Rider rates.<sup>15</sup>

VNG requests that implementation of the rate and tariff modifications proposed in its Application be authorized on an interim basis, subject to refund, effective January 1, 2023.<sup>16</sup> The Company asserts the requested base rate increase would increase the average residential monthly bill by \$12.88 based on an annual consumption of 599 cubic feet of natural gas.<sup>17</sup>

Pursuant to 20 VAC 5-201-10 E of the Commission's Rate Case Rules, the Company requests the Commission waive, in part, the requirements of 20 VAC 5-201-20 and 20 VAC 5-201-90 with respect to Schedule 6, which requires applicants to provide copies of the most recent public financial reports.<sup>18</sup> According to VNG, in 2020, the Commission revised Schedule 6 as it relates to electric utilities to permit "a link to where such copies can be found on the Internet" in lieu of the submission of hard copies of these voluminous reports.<sup>19</sup> Consistent with this Commission-approved revision to Schedule 6, and due to the voluminous nature of its public financial reports, VNG requests that the Commission waive the requirement to submit hard copies of its public financial reports, and instead permit the Company to provide a link to where those reports can be found on the Internet.<sup>20</sup>

The Company also filed a motion for entry of a protective order ("Motion for Protective Order") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure ("Rules of Practice"),<sup>21</sup> which included a proposed Protective Order to establish procedures governing the use of confidential information in this proceeding.

<sup>7</sup> *Id.* at 4.

<sup>8</sup> *Application of Virginia Natural Gas, Inc., For a general rate increase and for authority to revise the terms and conditions applicable to natural gas service*, Case No. PUR-2020-00095, 2021 S.C.C. Ann. Rept. 214, Final Order (Sept. 14, 2021).

<sup>9</sup> Application at 4.

<sup>10</sup> *Id.* at 5, noting that such cost of equity falls within a range of 10.0% to 10.5%.

<sup>11</sup> *Id.* at 5.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 7.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* at 1, 7, 10.

<sup>17</sup> *Id.* at 7.

<sup>18</sup> *Id.* at 9-10.

<sup>19</sup> *Id.* at 10; citing 20 VAC 5-204-90 and *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of adopting new rules of the State Corporation Commission governing utility rate application by investor-owned electric utilities*, Case No. PUR-2020-00022, 2020 S.C.C. Ann. Rept. 439, Order Adopting Regulations (Nov. 23, 2020).

<sup>20</sup> Application at 9-10.

<sup>21</sup> 5 VAC 5-20-10 *et seq.*



NOW THE COMMISSION, having considered this matter, is of the opinion and finds that VNG should provide notice of its Application; public hearings should be scheduled for the purpose of receiving testimony and evidence on the Company's Application; interested persons should have an opportunity to file comments on the Company's Application or to participate in this proceeding as a respondent; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission, including VNG's Motion for Protective Order, and to file a final report containing the Hearing Examiner's findings and recommendations. Further, for purposes of making the Application complete, we grant VNG's request to waive, in part, the requirements of 20 VAC 5-201-20 and 20 VAC 5-201-90 of the Rate Case Rules, with respect to Schedule 6 filing requirements. We also find the proposed rates, charges, and terms and conditions should be suspended pursuant to Code § 56-238, and the Company may, but is not obligated to, implement the proposed rates, charges, and terms and conditions on an interim basis, subject to refund with interest, for service rendered on and after January 1, 2023.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.<sup>22</sup> Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

We note that the Application, if approved, would result in an increase to customer bills. The Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

Accordingly, IT IS ORDERED THAT:

(1) All pleadings in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the 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.<sup>23</sup>

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

(3) As provided by § 12.1-31 of the Code and 5 VAC 5-20-120, *Procedures 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, including ruling on the Company's Motion for Protective Order, and to file a final report. 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.<sup>24</sup>

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

- a. A hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on June 12, 2023, with no public witness present in the Commission's courtroom.<sup>25</sup>
- b. To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- c. On or before June 5, 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](https://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141.

<sup>22</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), extended by 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), extended by 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

<sup>23</sup> As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

<sup>24</sup> Such electronic copies shall be sent to: [Wendy.Starkey@scc.virginia.gov](mailto:Wendy.Starkey@scc.virginia.gov), [LeaAnn.Robertson@scc.virginia.gov](mailto:LeaAnn.Robertson@scc.virginia.gov), and [Kaitlyn.McClure@scc.virginia.gov](mailto:Kaitlyn.McClure@scc.virginia.gov).

<sup>25</sup> The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.

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- d. Beginning at 10 a.m., on June 12, 2023, the Commission 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.
- e. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

(5) A hearing will be convened on June 13, 2023, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence from the Company, any respondents, and the Commission's Staff.

(6) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Elaine S. Ryan, Esquire; Timothy D. Patterson, Esquire; or Benjamin A. Shute, Esquire; McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219; [eryan@mcguirewoods.com](mailto:eryan@mcguirewoods.com), [tpatterson@mcguirewoods.com](mailto:tpatterson@mcguirewoods.com), or [bshute@mcguirewoods.com](mailto:bshute@mcguirewoods.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(7) On or before September 26, 2022, VNG 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 Virginia service territory:

NOTICE TO THE PUBLIC OF  
VIRGINIA NATURAL GAS COMPANY, INC.'S  
APPLICATION FOR A GENERAL RATE INCREASE AND  
FOR AUTHORITY TO REVISE THE TERMS AND  
CONDITIONS APPLICABLE TO NATURAL GAS SERVICE  
CASE NO. PUR-2022-00052

- **Virginia Natural Gas Company, Inc. ("VNG") has applied for approval of a general increase in rates.**
- **VNG requests an increase to its total annual revenue requirement of \$69.3 million.**
- **A Hearing Examiner appointed by the Commission will hold a telephonic hearing in this case on June 12, 2023, at 10 a.m., for the receipt of public witness testimony.**
- **The Hearing Examiner will hold an evidentiary hearing in this case on June 13, 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 State Corporation Commission's website at: [scc.virginia.gov/case](http://scc.virginia.gov/case).**

On August 1, 2022, Virginia Natural Gas, Inc. ("VNG" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Gas and Water Utilities, requesting authority to increase its rates and charges effective for usage beginning January 1, 2023, and to revise other terms and conditions applicable to its gas service ("Application"). Specifically, VNG states that the proposed rates and charges are designed to increase the Company's annual rate base revenue by approximately \$69.3 million per year. The Application states the requested increase includes approximately \$15 million of revenues associated with the Company's Steps to Advance Virginia's Energy ("SAVE") plan pursuant to Code § 56-603 *et seq.* ("SAVE Act"). VNG states that it is proposing to include recovery of the costs associated with approximately \$176 million of cumulative SAVE investments as of December 31, 2022, in base rates, as permitted by the SAVE Act.

The Company states that it is not earning sufficient annual revenues to cover its cost of service, including a reasonable return on common equity capital. VNG indicates that the revenue requirement requested is driven in large part by increases to the Company's rate base since its last rate case in 2020 ("2020 Rate Case") and those projected to occur during the 12-month period ending December 31, 2023 ("Rate Year"), including capital costs associated with infrastructure projects, and changes in VNG's operating costs as it continues to expand oversight of field operations, implement programs to enhance customer satisfaction, modernize its compliance and recordkeeping systems, and engage in community outreach and safety education initiatives.

According to the Company, its proposed rate increase is based on a return on common equity ("ROE") of 10.35%. Per VNG, its proposed weighted cost of capital for the Rate Year is 7.68% (based on the 10.35% proposed ROE) with a capital structure of 53.2% equity and 46.8% total debt. VNG further requests recovery of two regulatory assets: (1) for the pipeline safety initiatives costs deferred in 2018 and 2019, totaling \$300,000; and (2) for deferred COVID-related costs and foregone late fees in 2020 and 2021, totaling \$3,582,212 (the COVID deferral includes carrying

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charges on any deferred balances for 2020 through 2022), pursuant to the Stipulation approved by the Commission in VNG's 2020 Rate Case.

VNG is proposing revisions to the Terms and Conditions of its existing Tariff including: Sections I, III, VI, VII, X and XIX for clarity and uniformity purposes; Section XVIII, to expand its existing Commission-approved practice of providing up to 100 feet of service line from the main to the customer's meter without charge, to also include certain customers installing any two natural gas appliances; and Section XX, to update the System Peak Day Firm Sales Volume, Demand Charge Allocation Factors, and the target margin for the Margin Sharing Adjustment.

The Company also proposes to update Riders B, C, and D to apply the rates and consumption patterns proposed by the Company in this filing to reflect the Weather Normalization Adjustment and the Revenue Normalization Adjustment. The Company further proposes to update Rider E to reflect that existing SAVE Rider related costs are included in the Rate Year revenue requirement and will be recovered in base rates, not Rider rates.

VNG requests that implementation of the rate and tariff modifications proposed in its Application be authorized on an interim basis, subject to refund, effective January 1, 2023. The Company asserts the requested base rate increase would increase the average residential monthly bill by \$12.88 based on an annual consumption of 599 cubic feet of natural gas.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

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

The Commission entered an Order for Notice and Hearing that, among other things, permits the Company to place its proposed rates into effect on an interim basis, subject to refund, effective January 1, 2023.

Additionally, the Order for Notice and Hearing sets the public hearing on VNG's Application. On June 12, 2023, at 10 a.m., the Commission 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 June 5, 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](https://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](https://scc.virginia.gov/pages/Webcasting).

A hearing will be convened on June 13, 2023, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence from the Company, any respondents, and the Commission's Staff.

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.* 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.

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

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Elaine S. Ryan, Esquire; Timothy D. Patterson, Esquire; or Benjamin A. Shute, Esquire; McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219; [eryan@mcguirewoods.com](mailto:eryan@mcguirewoods.com), [tpatterson@mcguirewoods.com](mailto:tpatterson@mcguirewoods.com), or [bshute@mcguirewoods.com](mailto:bshute@mcguirewoods.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).

On or before June 6, 2023, any interested person may submit comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](https://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-2022-00052.

On or before November 22, 2022, 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](https://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

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or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00052.

On or before March 24, 2023, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling](http://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 listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Company, Staff, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00052.

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

The public version of the Company's Application, the Commission's Rules of Practice and the Commission's Order for Notice and Hearing may be viewed at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

VIRGINIA NATURAL GAS COMPANY, INC.

(8) On or before September 26, 2022, the Company shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(9) On or before October 14, 2022, the Company shall file proof of the notice and service required by Ordering Paragraphs (7) and (8), including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the Commission at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling).

(10) On or before June 6, 2023, any interested person may submit written comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://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-2022-00052.

(11) On or before November 22, 2022, 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](http://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 (10). 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 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-2022-00052.

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

(13) On or before March 24, 2023, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling](http://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 listed in Ordering Paragraph (10). Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Company, Staff, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00052.

(14) On or before April 28, 2023, the Staff shall investigate the Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application, and each Staff witness' testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Company and all respondents.

(15) On or before May 19, 2023, the Company 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 its rebuttal testimony and exhibits on the Staff and all respondents.

(16) 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 Rules of Practice.

(17) 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.<sup>26</sup> Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq.*

(18) The Company may, but is not obligated to, implement the proposed rates, charges, and terms and conditions on an interim basis, subject to refund with interest, for service rendered on and after January 1, 2023.

(19) On or before September 15, 2022, VNG shall file a bond with the Commission in the amount of \$69.3 million, payable to the Commission and conditioned to ensure the prompt refund by the Company, to those entitled thereto, of all amounts the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine.

(20) Pursuant to 20 VAC 5-201-10 E of the Commission's Rate Case Rules, the Company's request that the Commission waive, in part, the requirements of 20 VAC 5-201-20 and 20 VAC 5-201-90 of the Rate Case Rules with respect to Schedule 6, is granted. Consistent with this Commission's revision to Schedule 6, and due to the voluminous nature of its public financial reports, VNG may provide a link to where such public financial reports can be found on the Internet.

(21) This matter is continued.

<sup>26</sup> The assigned Staff attorney is identified on the Commission's website, [sec.virginia.gov/pages/Case-Information](http://sec.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00052, in the appropriate box.

**CASE NO. PUR-2022-00053**  
**JUNE 17, 2022**

JOINT APPLICATION OF  
LINGO MANAGEMENT, LLC, LINGO COMMUNICATIONS, LLC, B. RILEY PRINCIPAL INVESTMENTS, LLC,  
MATRIX TELECOM OF VIRGINIA, LLC, and BULLSEYE TELECOM OF VIRGINIA, LLC.

For approval of the proposed transfer of indirect control of BullsEye Telecom of Virginia, LLC, pursuant to Va. Code § 56-88 *et seq.*

**ORDER GRANTING APPROVAL**

On April 25, 2022, Lingo Management, LLC ("Lingo Management"); Lingo Communications, LLC; B. Riley Principal Investments, LLC (collectively, "Lingo Entities"); Matrix Telecom of Virginia, LLC; and BullsEye Telecom of Virginia, LLC ("BullsEye") (collectively, "Applicants")<sup>1</sup> completed the filing of a Joint Application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>2</sup> requesting approval of the proposed transfer of indirect control of BullsEye to the Lingo Entities ("Transfer"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with Rule 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>3</sup>

BullsEye is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission.<sup>4</sup> According to the Application, the proposed Transfer will be accomplished pursuant to an Agreement and Plan of Merger in which Lingo NewCo1 Inc., a newly formed subsidiary of Lingo Management, will merge with and into BullsEye, with BullsEye continuing as the surviving entity.<sup>5</sup>

<sup>1</sup> BullsEye Telecom, Inc.; GG Telecom Investors, LLC; Holcombe T. Green, Jr.; R. Kirby Godsey; Matrix Telecom, LLC; Impact Telecom LLC; Impact Acquisition LLC; B. Riley Financial, Inc.; and William H. Oberlin, as Trustee of the William H. Oberlin Revocable Trust, are also considered Applicants in this proceeding and have provided the statutorily required verifications.

<sup>2</sup> Code § 56-88 *et seq.*

<sup>3</sup> 5 VAC 5-20-10 *et seq.*

<sup>4</sup> See *Application of BullsEye Telecom of Virginia, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2002-00129, 2002 S.C.C. Ann. Rept. 325, Final Order (Oct. 4, 2002).

<sup>5</sup> Application at 6.

The Applicants assert that the proposed Transfer will occur at the parent company level only<sup>6</sup> and will not involve any change in assignment of operating authority, assets, or customers.<sup>7</sup> The Applicants further state that BullsEye will continue to provide services to its customers in Virginia without any immediate changes to the rates, terms, or conditions of service as currently provided.<sup>8</sup> Lastly, the Applicants represent that BullsEye will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Transfer.<sup>9</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Applicants' Motion is no longer necessary and therefore should be denied.<sup>10</sup>

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Transfer as described herein.
- (2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.
- (3) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.
- (4) This case is dismissed.

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<sup>6</sup> Application Exhibit B at 2.

<sup>7</sup> Application at 6.

<sup>8</sup> *Id.* at 6-7, 8.

<sup>9</sup> *Id.* at 7.

<sup>10</sup> The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

**CASE NO. PUR-2022-00054  
JULY 27, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For authority to increase existing rates and charges and to revise the terms and conditions applicable to gas service pursuant to § 56-237 of the Code of Virginia

**ORDER FOR NOTICE AND HEARING**

On June 29, 2022, Washington Gas Light Company ("WGL" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code"), requesting authority to increase its rates and charges<sup>1</sup> effective for usage beginning November 26, 2022, and to revise other terms and conditions applicable to its gas service ("Application").<sup>2</sup>

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<sup>1</sup> On April 8, 2022, WGL filed in this docket a Petition for Waiver of 2021 Annual Informational Filing and Notice of Rate Case Filing. On April 21, 2022, the Commission granted WGL's petition on the condition that WGL file a rate application as anticipated. Order on Request for Waiver at 2.

<sup>2</sup> Pursuant to § 56-238 of the Code, the 150-day suspension period for the Company's proposed interim rates runs through November 26, 2022. WGL states that "[t]he first day of the December 2022 billing cycle is November 29, 2022." Application at 1, n.1.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

In its Application, WGL advises that the proposed rates and charges are designed to increase the Company's annual non-gas base operating revenues by approximately \$86.6 million per year, of which approximately \$38.6 million relates to costs associated with investments in infrastructure replacements made pursuant to the Company's Steps to Advance Virginia's Energy ("SAVE") plan pursuant to § 56-603 *et seq.* of the Code.<sup>3</sup> According to the Company, the revenue requirement does not include any costs related to the acquisition of WGL by AltaGas Ltd. on July 6, 2018,<sup>4</sup> including any payments related to the commitments in the District of Columbia and Maryland.<sup>5</sup> The Company states that it is not earning sufficient annual revenues to cover its cost of service, including a reasonable return on common equity capital.<sup>6</sup> In its Application, WGL indicates that its requested increase reflects "increases in rate base, [Operations & Maintenance] costs including wage and benefits increases, as well as compliance and safety-related expenses" since its last base rate increase.<sup>7</sup>

According to the Company, its proposed rate increase is based on an overall rate of return of 7.65% on rate base, including a return on common equity of 10.75%.<sup>8</sup> WGL proposes the following annual increase in rates for its Northern Virginia customers and its Shenandoah Gas Division customers:<sup>9</sup>

	WGL Northern Virginia Division Customers		WGL Shenandoah Division Customers	
	Excluding SAVE Roll-in	Including SAVE Roll-in	Excluding SAVE Roll-in	Including SAVE Roll-in
Residential	6.3%	11.4%	6.2%	11.1%
Commercial and Industrial				
Heating and/or cooling	6.0%	10.8%	6.0%	10.9%
Non-heating/non-cooling	4.1%	7.3%	3.9%	7.1%
Group Metered Apartments				
Heating and/or cooling	5.4%	9.8%	6.5%	11.8%
Non-heating/non-cooling	3.4%	6.2%	4.0%	7.3%
Large Commercial and Industrial	5.0%	9.1%	4.3%	7.7%
Large Group Metered Apartments	4.4%	8.0%	n/a	n/a <sup>10</sup>

WGL also proposes various revisions to its Virginia tariff to reflect the new rates and proposals, including revisions to GSP No. 16 related to new technologies and innovations in the Purchased Gas Charge for gas service in Virginia.<sup>11</sup> WGL also proposes to implement its proposed rates, on an interim basis and subject to refund, effective for usage beginning November 26, 2022, and to implement proposed rates, charges, and revised terms and conditions of service upon issuance of the Commission's Final Order in this proceeding.<sup>12</sup>

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that WGL should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Company's Application; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments on the Company's Application or to participate in this proceeding as a respondent; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

<sup>3</sup> Application at 1-2 and 7, n.9. The Company states that it correspondingly will remove this revenue requirement from the SAVE Rider. *Id.* at 2, n.2.

<sup>4</sup> Application at 2. See *Joint Petition of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., For approval of an acquisition of control of a public utility pursuant to the Utility Transfers Act, Va. Code § 56-88 et seq.*, Case No. PUR-2017-00049, 2017 S.C.C. Ann. Rept. 492, Final Order (Oct. 20, 2017). On April 4, 2018, the Maryland Public Service Commission approved the merger subject to certain conditions, which the applicants in that case accepted. See *In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.*, Case No. 9449, Order No. 88631 (Apr. 4, 2018) and letter from counsel for the applicants in that case (Apr. 5, 2018). On June 29, 2018, the Public Service Commission of the District of Columbia issued an Order approving the proposed merger and Settlement Agreement, subject to certain conditions, which the settling parties accepted. See *In the matter of the merger of AltaGas Ltd. and WGL Holdings, Inc.*, Formal Case No. 1142, Order No. 19396 (June 29, 2018) and letter from counsel on behalf of settling parties (July 2, 2018).

<sup>5</sup> Application at 2.

<sup>6</sup> *Id.* at 5-6.

<sup>7</sup> *Id.* at 5.

<sup>8</sup> Direct Testimony of Dylan W. D'Ascendis at 6.

<sup>9</sup> Application at 7-8.

<sup>10</sup> *Id.* at 8.

<sup>11</sup> *Id.* at 9.

<sup>12</sup> *Id.* at 12.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.<sup>13</sup> Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

We note that the Application, if approved, would result in an increase to customer bills. The Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2022-00054.
- (2) All pleadings in this matter should be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.* 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.<sup>14</sup>
- (3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.
- (4) As provided by § 12.1-31 of the Code and 5 VAC 5-20-120, *Procedures 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 and to file a final report.
- (5) The Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Application, as follows:
  - a. A hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on May 1, 2023, with no public witness present in the Commission's courtroom.<sup>15</sup>
  - b. To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
  - c. On or before April 25, 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](https://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141.
  - d. Beginning at 10 a.m., on May 1, 2023, the Commission 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.
  - e. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](https://scc.virginia.gov/pages/Webcasting).
- (6) A hearing will be convened on May 2, 2023, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence from the Company, any respondents, and the Commission's Staff.
- (7) On or before August 15, 2022, WGL shall file a bond with the Commission in the amount of \$86.6 million payable to the Commission and conditioned to ensure the prompt refund by the Company, to those entitled thereto, of all amounts the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine.

<sup>13</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

<sup>14</sup> As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

<sup>15</sup> The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(8) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Avenue SW, Suite 700, Washington, D.C. 20024, [meeraahamed@washgas.com](mailto:meeraahamed@washgas.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(9) On or before August 26, 2022, WGL 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 Virginia service territory:

NOTICE TO THE PUBLIC OF  
WASHINGTON GAS LIGHT COMPANY'S  
APPLICATION FOR AUTHORITY TO INCREASE EXISTING  
RATES AND CHARGES AND TO REVISE THE TERMS  
AND CONDITIONS APPLICABLE TO GAS SERVICE  
CASE NO. PUR-2022-00054

- **Washington Gas Light Company ("WGL") has applied for approval of a general increase in rates.**
- **WGL requests an increase to its total revenue requirement of \$86.6 million.**
- **A Hearing Examiner appointed by the Commission will hold a telephonic hearing in this case on May 1, 2023, at 10 a.m., for the receipt of public witness testimony.**
- **The Hearing Examiner will hold an evidentiary hearing in this case on May 2, 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 State Corporation Commission's website at: [scc.virginia.gov/case](http://scc.virginia.gov/case).**

On June 29, 2022, Washington Gas Light Company ("WGL" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code") requesting authority to increase its rates and charges effective for usage beginning November 26, 2022, and to revise other terms and conditions applicable to its gas service ("Application").

In its Application, WGL advises that the proposed rates and charges are designed to increase the Company's non-gas base operating revenues by approximately \$86.6 million per year, of which approximately \$38.6 million relates to costs associated with investments in infrastructure replacements made pursuant to the Company's Steps to Advance Virginia's Energy plan pursuant to § 56-603 *et seq.* of the Code.

According to the Company, the revenue requirement does not include any costs related to the acquisition of WGL by AltaGas Ltd. on July 6, 2018, including any payments related to the commitments in the District of Columbia and Maryland. The Company states that it is not earning sufficient annual revenues to cover its cost of service, including a reasonable return on common equity capital. In its Application, WGL indicates that its requested increase reflects "increases in rate base, [Operations & Maintenance] costs including wage and benefits increases, as well as compliance and safety-related expenses" since its last base rate increase.

According to the Company, its proposed rate increase is based on an overall rate of return of 7.65% on rate base, including a return on common equity of 10.75%. WGL proposes the following annual increase in rates for its Northern Virginia customers and its Shenandoah Gas Division customers:

	WGL Northern Virginia Division Customers		WGL Shenandoah Division Customers	
	Excluding SAVE Roll-in	Including SAVE Roll-in	Excluding SAVE Roll-in	Including SAVE Roll-in
	Residential	6.3%	11.4%	6.2%
Commercial and Industrial				
Heating and/or Cooling	6.0%	10.8%	6.0%	10.9%
Non-heating / non-cooling	4.1%	7.3%	3.9%	7.1%
Group Metered Apartments				
Heating and/or Cooling	5.4%	9.8%	6.5%	11.8%
Non-heating / non-cooling	3.4%	6.2%	4.0%	7.3%
Large Commercial and Industrial				
	5.0%	9.1%	4.3%	7.7%
Large Group Metered Apartments				
	4.4%	8.0%	n/a	n/a

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

WGL proposes various revisions to its Virginia tariff to reflect the new rates and proposals, including revisions to GSP No. 16 related to new technologies and innovations in the Purchased Gas Charge for gas service in Virginia. WGL also proposes to implement its proposed rates, on an interim basis and subject to refund, effective for usage beginning November 26, 2022, and to implement proposed rates, charges, and revised terms and conditions of service upon issuance of the Commission's Final Order in this proceeding.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

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

The Commission entered an Order for Notice and Hearing that, among other things, permits the Company to place its proposed rates into effect on an interim basis, subject to refund, effective for usage beginning November 26, 2022.

Additionally, the Order for Notice and Hearing sets the public hearing on WGL's Application. On May 1, 2023, at 10 a.m., the Commission 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 April 25, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

A hearing will be convened on May 2, 2023, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence from the Company, any respondents, and the Commission's Staff.

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, Copies and format, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 et seq. 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.

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

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Avenue SW, Suite 700, Washington, D.C. 20024, [meeraahamed@washgas.com](mailto:meeraahamed@washgas.com).

On or before April 14, 2023, any interested person may submit comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://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-2022-00054.

On or before November 1, 2022, 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/](http://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. 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 Rule 5 VAC 5-20-30, Counsel, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00054.

On or before February 10, 2023, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling/](http://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 listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Company, Staff, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, Filing and service; and 5 VAC 5-20-240, Prepared testimony and exhibits. All filings shall refer to Case No. PUR-2022-00054.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

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 Company's Application, the Commission's Rules of Practice and the Commission's Order for Notice and Hearing may be viewed at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

WASHINGTON GAS LIGHT COMPANY

(10) On or before August 26, 2022, the Company shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(11) On or before September 16, 2022, the Company shall file proof of the notice and service required by Ordering Paragraphs (9) and (10), including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the Commission at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/).

(12) On or before April 14, 2023, any interested person may submit written comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://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-2022-00054.

(13) On or before November 1, 2022, 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/](http://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 (12). 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 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-2022-00054.

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

(15) On or before February 10, 2023, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling/](http://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 listed in Ordering Paragraph (12). Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Company, Staff, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00054.

(16) On or before March 10, 2023, the Staff shall investigate the Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Company and all respondents.

(17) On or before March 31, 2023, the Company 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 its rebuttal testimony and exhibits on the Staff and all respondents.

(18) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

(19) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.<sup>16</sup> Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq.*

(20) WGL may place its proposed rates into effect on an interim basis, subject to refund with interest, for service rendered on and after November 26, 2022.

(21) This matter is continued.

<sup>16</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00054, in the appropriate box.

**CASE NO. PUR-2022-00056  
NOVEMBER 29, 2022**

APPLICATION OF  
MECKLENBURG ELECTRIC COOPERATIVE

For approval of modifications to Schedule RTO

**ORDER FOR NOTICE AND HEARING**

On October 20, 2022, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 56-235.2 of the Code of Virginia ("Code") and the Commission's Rules for Filing an Application to Provide Electric and Gas Service Under a Special Rate, Contract or Incentive,<sup>1</sup> seeking expedited approval of modifications to its Schedule "LP-Contract-RTO" Large Power Contract Rate ("Current Schedule RTO"), under which it serves an electric customer ("Customer") with data center load.<sup>2</sup>

According to the Application, the Cooperative proposes modifications to Current Schedule RTO to allow MEC (i) to continue to serve the Customer's load from the Cooperative's Boydton and Coleman Creek Substations and (ii) to serve the Customer's new, additional load from the Cooperative's new Timber 1 Substation ("Revised Schedule RTO").<sup>3</sup> MEC states that Revised Schedule RTO is designed to (i) allow the Cooperative to recover its projected cost related to serving the Customer's initial and new load, (ii) protect the Cooperative's existing members from subsidizing the Customer's load, and (iii) provide the Cooperative with a reasonable margin to continue to provide reliable electric service to all of its members.<sup>4</sup>

The Cooperative states that Revised Schedule RTO consists of electricity supply service ("ESS") charges and distribution delivery charges.<sup>5</sup> MEC states that the ESS charges are designed to be a direct pass through to the Customer from the Cooperative's generation and transmission provider, Old Dominion Electric Cooperative.<sup>6</sup> Accordingly, MEC asserts that any costs that it incurs related to purchasing the power to serve the Customer's load will be passed on to the Customer directly.<sup>7</sup> The Cooperative further states that the ESS charges include present costs as well as future costs such as true-ups and demand-related costs based on the Customer's load in the prior year.<sup>8</sup>

The Cooperative states that the distribution delivery charge in Current Schedule RTO includes three consumer delivery charges and a non-coincident demand charge.<sup>9</sup> MEC indicates that Revised Schedule RTO includes two additional consumer delivery charges: (i) \$21,597 per month applicable for service from MEC's new Timber 1 Substation, Level 1; and (ii) \$25,928 per month applicable for service from the Timber 1 Substation, Level 2. MEC states Revised Schedule RTO also includes an additional non-coincident demand charge of \$0.720 per kilowatt applicable to service from the Timber 1 Substation.<sup>10</sup>

MEC asserts that in calculating the new consumer delivery charges applicable for service from MEC's new Timber 1 Substation for Levels 1 and 2, the Cooperative used an estimate of the cost of the gross installed utility plant that would be needed to serve the Customer from the Timber 1 Substation at Level 1 and Level 2.<sup>11</sup> MEC notes that the Rate Adjustments provision in Current Schedule RTO contemplates updating each consumer delivery charge one time by replacing the estimate of the cost of the utility plant needed to serve the Customer with the actual cost of the utility plant used to serve the Customer in the calculation of the charge.<sup>12</sup> MEC proposes to update the calculation of the consumer delivery charge for service from its Timber 1 Substation in the same manner as previously approved for service from the Cooperative's Boydton and Coleman Creek Substations.<sup>13</sup>

For clarification purposes, MEC also proposes a revision to the Rate Adjustments provision that it asserts will better capture the intent of the provision: that the estimated cost of the installed utility plant used to serve the Customer in the calculation of the consumer delivery charge is subject to a one-time adjustment for each substation upon the Cooperative's determination of the actual cost of the installed utility plant serving the Customer at that substation, subject to the submission of a joint report with Commission Staff ("Staff") and a final Commission determination.<sup>14</sup>

<sup>1</sup> 20 VAC 5-310-10.

<sup>2</sup> Application at 2.

<sup>3</sup> *Id.* at 4.

<sup>4</sup> *Id.* at 4-5.

<sup>5</sup> *Id.* at 5.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 6.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 7-8.

MEC asserts that Revised Schedule RTO will protect the public interest by providing MEC with sufficient revenues to maintain reliable electric service to its members and by providing positive economic benefits to the local area and the Commonwealth.<sup>15</sup> The Cooperative further asserts that modifications to Current Schedule RTO will not unreasonably prejudice or disadvantage any customer or class of customers as Revised Schedule RTO contains the same protections as Current Schedule RTO.<sup>16</sup> Finally, MEC maintains that Revised Schedule RTO will not jeopardize the continuation of reliable electric service as it will increase the Cooperative's margins which will allow MEC to build, improve, and maintain its utility plant.<sup>17</sup>

Coincident with the filing of the Application, the Cooperative filed a Motion for Entry of Protective Ruling ("Motion"). The Cooperative also requests interim authority to provide electric service to the Customer under Revised Schedule RTO, effective February 1, 2022, until the Commission issues a decision on the Application.<sup>18</sup>

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

The Commission further finds the MEC's request for interim authority should be granted in part. Specifically, the effective date for interim authority should be the date of this order, rather than February 1, 2022, as requested. The Commission therefore grants MEC interim authority to serve and bill the Customer under Revised Schedule RTO on an interim basis as of the date of this order, until the Commission issues a decision on the Application. The Cooperative shall remain at risk for the differences, if any, between: (1) the special rate as operated under the interim approval granted herein pending the conclusion of this matter; and (2) any special rate that may be approved herein. To the extent that MEC continues to request interim authority as of February 1, 2022, the Cooperative shall supplement its request by detailing the Customer's consent to the February 1, 2022 interim effective date as well as describing the legal basis for the Commission's authority to approve retroactive interim rates.

We also appoint a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Cooperative's Motion and filing a final report containing the Hearing Examiner's findings and recommendations. Should MEC supplement its request for interim authority, effective February 1, 2022, we direct the Hearing Examiner to take any appropriate action in regard to such request.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.<sup>19</sup> Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2022-00056.
- (2) MEC's request for interim authority is granted, in part, as discussed herein.
- (3) All pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").<sup>20</sup> 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.<sup>21</sup>

<sup>15</sup> *Id.* at 8.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.* at 14.

<sup>19</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), extended by 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), extended by 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

<sup>20</sup> 5 VAC 5-20-10 *et seq.*

<sup>21</sup> As noted in the Commission's Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to COVID-19 health issues.

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(4) 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 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.

(5) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedures 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, including ruling on the Cooperative's Motion, and to file a final report. 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.<sup>22</sup>

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

- (a) A hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on March 7, 2023, with no witness present in the Commission's courtroom.<sup>23</sup>
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before March 2, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m., on March 7, 2023, the Hearing Examiner assigned to this case 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.
- (e) This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

(7) A hearing shall be convened on March 8, 2023, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony and evidence of the Cooperative, any respondents, and the Staff.

(8) An electronic copy of the Cooperative's Application may be obtained by submitting a written request to counsel for the Cooperative, Garland S. Taylor, Esquire, Williams Mullen, 200 South 10<sup>th</sup> Street, Suite 1600, Richmond, Virginia 23219, or [gtaylor@williamsmullen.com](mailto:gtaylor@williamsmullen.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(9) On or before December 30, 2022, the Cooperative shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Cooperative's service territory in Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
MECKLENBURG ELECTRIC COOPERATIVE, FOR  
APPROVAL OF MODIFICATIONS TO SCHEDULE RTO  
CASE NO. PUR-2022-00056

On October 20, 2022, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 56-235.2 of the Code of Virginia ("Code") and the Commission's Rules for Filing an Application to Provide Electric and Gas Service Under a Special Rate, Contract or Incentive, seeking expedited approval of modifications to its Schedule "LP-Contract-RTO" Large Power Contract Rate ("Current Schedule RTO"), under which it serves an electric customer ("Customer") with data center load.

According to the Application, the Cooperative proposes modifications to Current Schedule RTO to allow MEC (i) to continue to serve the Customer's load from the Cooperative's Boydton and Coleman Creek Substations and (ii) to serve the Customer's new, additional load from the Cooperative's new Timber 1 Substation ("Revised Schedule RTO"). MEC states that Revised Schedule RTO is designed to (i) allow the Cooperative to recover its projected cost related to serving the Customer's initial and new load, (ii) protect the Cooperative's existing members from subsidizing the Customer's load, and (iii) provide the Cooperative with a reasonable margin to continue to provide reliable electric service to all of its members.

The Cooperative states that Revised Schedule RTO consists of electricity supply service ("ESS") charges and distribution delivery charges. MEC states that the ESS charges are designed to be a direct pass through to the Customer from the Cooperative's generation and transmission provider, Old Dominion Electric Cooperative. Accordingly, MEC asserts that any costs that it incurs related to purchasing the power to serve the Customer's load will be passed on to the Customer directly. The Cooperative further states that the ESS charges include present costs as well as future costs such as true-ups and demand-related costs based on the Customer's load in the prior year.

<sup>22</sup> Such electronic copies shall be sent to: [Wendy.Starkey@scc.virginia.gov](mailto:Wendy.Starkey@scc.virginia.gov), [LeaAnn.Robertson@scc.virginia.gov](mailto:LeaAnn.Robertson@scc.virginia.gov), and [Kaitlyn.Mcclure@scc.virginia.gov](mailto:Kaitlyn.Mcclure@scc.virginia.gov).

<sup>23</sup> The Hearing Examiner will convene counsel of record in this proceeding to attend the public witness hearing virtually.

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The Cooperative states that the distribution delivery charge in Current Schedule RTO includes three consumer delivery charges and a non-coincident demand charge. MEC indicates that Revised Schedule RTO includes two additional consumer delivery charges: (i) \$21,597 per month applicable for service from MEC's new Timber 1 Substation, Level 1; and (ii) \$25,928 per month applicable for service from the Timber 1 Substation, Level 2. MEC states Revised Schedule RTO also includes an additional non-coincident demand charge of \$0.720 per kilowatt applicable to service from the Timber 1 Substation.

MEC asserts that in calculating the new consumer delivery charges applicable for service from MEC's new Timber 1 Substation for Levels 1 and 2, the Cooperative used an estimate of the cost of the gross installed utility plant that would be needed to serve the Customer from the Timber 1 Substation at Level 1 and Level 2. MEC notes that the Rate Adjustments provision in Current Schedule RTO contemplates updating each consumer delivery charge one time by replacing the estimate of the cost of the utility plant needed to serve the Customer with the actual cost of the utility plant used to serve the Customer in the calculation of the charge. MEC proposes to update the calculation of the consumer delivery charge for service from its Timber 1 Substation in the same manner as previously approved for service from the Cooperative's Boydton and Coleman Creek Substations.

For clarification purposes, MEC also proposes a revision to the Rate Adjustments provision that it asserts will better capture the intent of the provision: that the estimated cost of the installed utility plant used to serve the Customer in the calculation of the consumer delivery charge is subject to a one-time adjustment for each substation upon the Cooperative's determination of the actual cost of the installed utility plant serving the Customer at that substation, subject to the submission of a joint report with Commission Staff and a final Commission determination.

MEC asserts that Revised Schedule RTO will protect the public interest by providing MEC with sufficient revenues to maintain reliable electric service to its members and by providing positive economic benefits to the local area and the Commonwealth. The Cooperative further asserts that modifications to Current Schedule RTO will not unreasonably prejudice or disadvantage any customer or class of customers as Revised Schedule RTO contains the same protections as Current Schedule RTO. Finally, MEC maintains that Revised Schedule RTO will not jeopardize the continuation of reliable electric service as it will increase the Cooperative's margins which will allow MEC to build, improve, and maintain its utility plant.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled public hearings on MEC's Application. On March 7, 2023, at 10 a.m., the Hearing Examiner assigned to this case 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 March 2, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

On March 8, 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 Application from the Cooperative, any respondents, and the Commission's Staff.

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

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

An electronic copy of the Cooperative's Application may be obtained by submitting a written request to counsel for the Cooperative, Garland S. Taylor, Esquire, Williams Mullen, 200 South 10<sup>th</sup> Street, Suite 1600, Richmond, Virginia 23219, or [gtaylor@williamsmullen.com](mailto:gtaylor@williamsmullen.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

On or before March 1, 2023, any interested person may submit comments on the Application electronically by following the instructions on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://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-2022-00056.

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On or before January 27, 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](http://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file electronically may file a notice of participation 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 Cooperative. 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-2022-00056.

On or before January 27, 2023, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling](http://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 listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Staff, the Cooperative, and all other respondents simultaneous with its filing. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00056.

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 Rules of Practice.

The Cooperative's Application, the Commission's Rules of Practice, and the Commission's Order for Notice and Hearing may be viewed at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

MECKLENBURG ELECTRIC COOPERATIVE

(10) On or before December 30, 2022, the Cooperative shall serve a copy of this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town in which the Cooperative provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(11) On or before January 20, 2023, the Cooperative shall file proof of the notice and service required by Ordering Paragraphs (9) and (10) with the Clerk of the Commission

(12) On or before March 1, 2023, any interested person or entity may submit comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://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 Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2022-00056.

(13) On or before January 27, 2023, any interested person or entity may participate as a respondent in this proceeding by filing a notice of participation at [scc.virginia.gov/clk/efiling](http://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 (12). 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-2022-00056.

(14) Within three (3) business days of receipt of a notice of participation as a respondent, the Cooperative shall serve a copy of the public version of the Application and supporting materials on the respondent, unless these already have been provided to the respondent.

(15) On or before January 27, 2023, each respondent may file with the Clerk of the Commission at [scc.virginia.gov/clk/efiling](http://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 listed in Ordering Paragraph (12). Each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00056.

(16) On or before February 10, 2023, the Staff shall investigate the Cooperative's Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Cooperative and all respondents.

(17) On or before February 24, 2023, MEC 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 Cooperative shall serve a copy of its rebuttal testimony and exhibits on the Staff and all respondents.

(18) All 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 otherwise modified herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.



(19) The Cooperative shall respond to written interrogatories or requests for production of documents within five (5) calendar days after the receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, 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.<sup>24</sup> Except as so modified, discovery shall be in accordance with Part IV of the Rules of Practice.

(20) This matter is continued.

<sup>24</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00056, in the appropriate box.

**CASE NO. PUR-2022-00059**  
**JUNE 17, 2022**

APPLICATION OF  
MATRIX TELECOM OF VIRGINIA, LLC

For cancellation and reissuance of certificate of public convenience and necessity to provide local exchange telecommunications services to reflect name change to Lingo Telecom of Virginia, LLC

**ORDER REISSUING CERTIFICATE**

On April 14, 2022, Matrix Telecom of Virginia, LLC ("Matrix" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") requesting that the certificate of public convenience and necessity to provide competitive local exchange telecommunications services in the Commonwealth of Virginia issued to Matrix<sup>1</sup> be cancelled and reissued to reflect a corporate name change. The Company submitted with its Application proof of its name change to Lingo Telecom of Virginia, LLC.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the existing certificate in the name of Matrix should be cancelled and reissued in the name of Lingo Telecom of Virginia, LLC.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2022-00059.

(2) The certificate of public convenience and necessity to provide competitive local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-646a, heretofore issued to Matrix Telecom of Virginia, LLC, is hereby cancelled and shall be reissued as Certificate No. T-646b in the name of Lingo Telecom of Virginia, LLC.

(3) Any tariffs on file with the Commission's Division of Public Utility Regulation or product guide available online in the name of Matrix Telecom of Virginia, LLC shall be replaced reflecting the name change within forty-five (45) days of the date of entry of this Order.

(4) This case is dismissed.

<sup>1</sup> See *Application of Matrix Telecom of Virginia, Inc., For amended and reissued certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a name change to Matrix Telecom of Virginia, LLC*, Case No. PUC-2016-00028, 2016 S.C.C. Ann. Rept. 175, Order Reissuing Certificate (June 10, 2016).

**CASE NO. PUR-2022-00060**  
**APRIL 20, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For approval of a service agreement

**ORDER GRANTING INTERIM APPROVAL**

On April 15, 2022, Washington Gas Light Company ("WGL" or "Applicant") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval, pursuant to Chapter 4<sup>1</sup> of Title 56 of the Code of Virginia ("Code"), of a proposed revised service agreement ("Revised Agreement") between WGL and SEMCO Energy, Inc. ("SEMCO Energy"). According to the Application, the Applicant and SEMCO Energy are subsidiaries of AltaGas Ltd. ("AltaGas"), a Canadian corporation, which is consolidating certain accounts payable and human resources functions across AltaGas' regulated utility operations that will henceforth be provided by SEMCO Energy to WGL. To expedite the transition, WGL requests interim authority to operate under the Revised Agreement pending the Commission's final order in this case.

<sup>1</sup> Code § 56-76 *et seq.*

NOW THE COMMISSION, upon consideration of the foregoing and being advised by the Staff of the Commission, finds that granting interim approval while the Application is under review is not detrimental to the public interest and WGL's request for interim authority should therefore be granted subject to the Commission's final order in this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The Applicant is granted interim authority to operate under the Revised Agreement, subject to the Commission's final order in this proceeding.

(2) This case is continued.

**CASE NO. PUR-2022-00060  
MAY 24, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For approval of a service agreement

**ORDER GRANTING APPROVAL**

On April 15, 2022, Washington Gas Light Company ("WGL" or the "Applicant") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval, pursuant to Chapter 4<sup>1</sup> of Title 56 of the Code of Virginia ("Code"), to receive new and expanded services ("Services") through a further revision to a service agreement ("Fifth Agreement")<sup>2</sup> between WGL and SEMCO Energy, Inc. ("SEMCO Energy").<sup>3</sup> The Applicant also requested interim authority to begin receiving the new and expanded Services immediately, pending the Commission's final order in this case. On April 20, 2022, the Commission issued an order granting the interim authority.

The Applicant represents that AltaGas' continued objective is to improve operational efficiencies and to better utilize resources and manpower across its business enterprise regardless of where such resources may reside.<sup>4</sup> Towards that end, AltaGas is consolidating certain accounts payable ("AP") and human resources and benefits ("HR") functions across its regulated utility operations. Under the current service agreement ("Current Agreement"), WGL provides 16 categories of Services to SEMCO Energy, and SEMCO Energy provides seven categories of Services to WGL.<sup>5</sup>

In the Application, WGL is specifically requesting approval to revise the Current Agreement by adding Cash Receipts/Cash Disbursements as a new category of service and by expanding the scope of HR services that SEMCO Energy will provide to WGL. The Applicant represents that the proposed changes will improve the deployment of AltaGas' AP and HR resources while consolidating and reducing redundancy of such functions across the AltaGas enterprise.<sup>6</sup> In response to Commission Staff ("Staff") discovery, the Applicant represents that the proposed Fifth Agreement is not expected to reduce WGL's internal employee staffing because the new Services are replacing services previously contracted to external third parties.<sup>7</sup>

NOW THE COMMISSION, upon consideration of this matter, and having been advised by its Staff through Staff's action brief, and having considered the Applicant's comments thereon, is of the opinion and finds that the Fifth Agreement is in the public interest and should be approved, subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) The Applicant is granted approval of the Fifth Agreement subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

<sup>1</sup> Code § 56-76 *et seq.* ("Affiliates Act").

<sup>2</sup> The Commission has approved previous versions of the service agreement in four Affiliates Act cases. *See Application of Washington Gas Light Company, For approval of service agreement*, Case No. PUR-2020-00224, 2020 S.C.C. Ann. Rept. 619, Order Granting Approval (Dec. 16, 2020); *Application of Washington Gas Light Company, For approval of a revised service agreement*, Case No. PUR-2020-00030, 2020 S.C.C. Ann. Rept. 451, Order Granting Approval (Mar. 18, 2020); *Application of Washington Gas Light Company, For approval of service agreements*, Case No. PUR-2019-00055, 2019 S.C.C. Ann. Rept. 413, Order Granting Approval (Jun. 27, 2019); and *Application of Washington Gas Light Company, For approval of service agreements*, Case No. PUR-2018-00130, 2018 S.C.C. Ann. Rept. 509, Order Granting Approval (Dec. 17, 2018).

<sup>3</sup> SEMCO Energy is the Michigan-based holding company for SEMCO Energy Gas Company in Michigan and ENSTAR Natural Gas Company in Alaska, which sell natural gas and provide regulated natural gas distribution, transmission, and storage services to local customers. WGL and SEMCO Energy are both owned by AltaGas, Ltd. ("AltaGas"), a Canadian corporation.

<sup>4</sup> *See Application* at 1.

<sup>5</sup> *See Id.* at Appendix A, p. v and vi.

<sup>6</sup> *See Id.* at 4-5.

<sup>7</sup> *See Applicant's Response to Staff DR No. 1-3*, which is attached to Staff's action brief filed concurrently with this order.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

## APPENDIX

- 1) The Commission's approval of the Fifth Agreement shall extend from the effective date of the Order Granting Approval in this case through December 16, 2023. If WGL wishes to continue the Fifth Agreement beyond that date, separate approval shall be required.
- 2) The Commission's approval shall have no accounting or ratemaking implications.
- 3) The Commission's approval shall be limited to the specific Services listed and described in the Fifth Agreement. If WGL wishes to provide or receive additional Services not specifically identified and described in the Fifth Agreement, separate approval shall be required.
- 4) Separate Commission approval shall be required for WGL to exchange Services with SEMCO Energy under the Fifth Agreement through the engagement of any affiliated third parties.
- 5) Separate Commission approval shall be required for any changes in the terms and conditions of the Fifth Agreement.
- 6) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.
- 7) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by the Commission.
- 8) WGL shall be required to maintain records, available to Staff upon request, to verify that the Services it provides to and receives from SEMCO Energy under the Fifth Agreement are priced at cost.<sup>8</sup>
- 9) WGL shall file with the Commission an executed copy of the approved Fifth Agreement within sixty (60) days of the effective date of the Order Granting Approval in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").
- 10) WGL shall include all transactions associated with the approved Fifth Agreement in its Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director by May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:
  - (a) List the latest case number in which the Fifth Agreement was approved;
  - (b) List WGL, the affiliate(s), and Services provided and received; and
  - (c) Include schedule(s) in Excel electronic media format, with formulas intact, listing the prior year's Services provided and received, by month, type of service, FERC account, and dollar amount, as the transactions are recorded on WGL's books.
- 11) The Commission's approval in this case shall supplement the approvals previously granted in Case Nos. PUR-2018-00130, PUR-2019-00055, PUR-2020-00030, and PUR-2020-00224.

<sup>8</sup> Since WGL and SEMCO Energy's operating companies are rate-regulated utilities, it is appropriate for Services exchanged under the Fifth Agreement to be priced at cost.

**CASE NO. PUR-2022-00061  
JULY 29, 2022**

PETITION OF  
ACN COMMUNICATION SERVICES VIRGINIA, L.L.C., and ACN COMMUNICATION SERVICES, LLC

For approval to transfer control to ACN Communication Services, LLC, pursuant to Va. Code § 56-88 *et seq.*

**ORDER GRANTING APPROVAL**

On May 6, 2022, ACN Communication Services Virginia, L.L.C. ("ACN Virginia") and ACN Communication Services, LLC ("ACN") (collectively, "Petitioners")<sup>1</sup> filed an Amended Petition with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>2</sup> requesting approval of a transfer of control of ACN Virginia to ACN ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>3</sup>

ACN Virginia is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity ("Certificate") issued by the Commission in Case No. PUC-2004-00022.<sup>4</sup> ACN currently has an application pending with the Commission for approval of Certificates to provide local exchange and interexchange telecommunications services in Virginia in Case No. PUR-2022-00082.<sup>5</sup>

<sup>1</sup> LKN Communications, Inc., is also considered a Petitioner and has provided the statutorily required verifications.

<sup>2</sup> Code § 56-88 *et seq.*

<sup>3</sup> 5 VAC 5-20-10 *et seq.*

<sup>4</sup> See *Application of ACN Communication Services Virginia, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2004-00022, 2004 S.C.C. Ann. Rept. 232, Final Order (Jun. 10, 2004).

<sup>5</sup> See *Application of ACN Communication Services, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2022-00082, Doc. Con. Cen. No. 220530044, Application (May 17, 2022).

The Petitioners assert that the sole purpose for the proposed Transfer is to dissolve ACN Virginia and have its parent company, ACN, provide the same services to customers in Virginia. The Petitioners further state that, upon approval of the requested Certificates in Case No. PUR-2022-00082, ACN will provide services to its Virginia customers without any immediate changes to the rates, terms or conditions of service as currently provided by ACN Virginia. Lastly, the Petitioners represent that both companies consist of the same members, management team, and regulatory contacts, and assert that the management team currently operating ACN Virginia will remain intact and operate ACN in Virginia following the completion of the proposed Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved, subject to the Commission's approval of the requested Certificates in Case No. PUR-2022-00082. The Commission also finds that the Petitioners' Motion is moot; therefore, the Motion should be denied.<sup>6</sup>

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein, subject to the Commission's approval of the requested Certificates in Case No. PUR-2022-00082.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

<sup>6</sup> The Commission has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

### CASE NO. PUR-2022-00062 OCTOBER 31, 2022

#### PETITION OF VIRGINIA ELECTRIC AND POWER COMPANY

For approval of new broadband capacity projects pursuant to § 56-585.1:9 of the Code of Virginia and for revision of rate adjustment clause: Rider RBB for the Rate Year commencing December 1, 2022

#### FINAL ORDER

On May 5, 2022, Virginia Electric and Power Company ("Dominion" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") pursuant to Code §§ 56-585.1:9 and 56-585.1 A 6. Through its Petition, the Company seeks approval to install middle-mile broadband capacity in: (i) unserved areas in the Northern Neck region of Virginia, including in King George, Westmoreland, Richmond, and Northumberland Counties,<sup>1</sup> and in King William and Lancaster Counties (the "Northern Neck Project"), and (ii) the Thomas Jefferson Planning District, specifically Louisa and Appomattox Counties ("Thomas Jefferson Planning District Project"). The Company also seeks approval to revise rate adjustment clause Rider RBB, for the rate year commencing December 1, 2022, through November 30, 2023 ("Rate Year").<sup>2</sup> In its Petition, the Company is requesting recovery of a total revenue requirement of \$7.438 million for the Rate Year.<sup>3</sup>

Additionally, in its Petition the Company stated that it updated certain components of its Lead/Lag Study based on calendar year 2021 and requested that any issues related to the Lead/Lag Study be litigated in this docket.<sup>4</sup>

On May 27, 2022, the Commission issued an Order for Notice and Hearing that, among other things, docketed this matter; directed Dominion to provide public notice of its Petition; scheduled hearings for the purpose of receiving testimony and evidence on the Petition; provided interested persons an opportunity to file comments on the Petition or to participate as respondents in this proceeding; directed Commission Staff ("Staff") to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the Virginia Cable Telecommunications Association and Virginia Everywhere, LLC. Staff filed testimony on August 10, 2022. Dominion filed rebuttal testimony on August 24, 2022. The Commission also received written public comments on the Petition.

<sup>1</sup> The Company indicates that it previously received approval to install middle-mile fiber in King George, Westmoreland, Richmond, and Northumberland Counties, and is seeking approval in this Petition to install additional miles of fiber in these four counties. Ex. 2 (Petition) at 1 n.1. See *Petition of Virginia Electric and Power Company, For approval of broadband capacity pilot projects pursuant to § 56-585.1:9 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider RBB, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2020-00197, 2021 S.C.C. Ann. Rept. 289, Order Approving Broadband Pilot Projects (Mar. 25, 2021).

<sup>2</sup> Ex. 2 (Petition) at 1-2.

<sup>3</sup> *Id.* at 15-16.

<sup>4</sup> *Id.* at 14.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The public witness hearing was scheduled to convene telephonically on September 7, 2022, but was canceled because no public witnesses signed up to testify.<sup>5</sup> The evidentiary hearing was convened on September 8, 2022. Counsel for Dominion and Staff appeared at the hearing.

On September 19, 2022, the Report of A. Ann Berkebile, Senior Hearing Examiner ("Report") was issued. In the Report, the Hearing Examiner made the following findings:

- (i) The Company's new proposals for the installation of middle-mile broadband, including the proposed Thomas Jefferson Planning District Project and the expansion of the Northern Neck Project, should be approved with the condition that construction commence within 18 months of approval;
- (ii) An updated Rider RBB with a Rate Year revenue requirement of \$7,431,865, consisting of a Projected Cost Recovery Factor of \$7,430,685 and an Actual Cost True-Up Factor of \$1,180, should be approved;
- (iii) The Company's updated cash working capital revenue lag formulated pursuant to its updated Lead/Lag Study should be approved;
- (iv) The Company's updated cost allocation and rate design methodologies should be approved; and
- (v) The Company should continue to submit annual Rider RBB reports pertaining to all approved rural broadband projects, and such reports should include the same update and performance metric information that the Commission required in its Order Approving Broadband Pilot Projects in Case No. PUR-2020-00197.<sup>6</sup>

The Hearing Examiner recommended that the Commission adopt the findings of the Report, approve the Company's Petition and Rider RBB consistent with the findings and recommendations in the Report, and dismiss the matter from the Commission's docket of active cases.<sup>7</sup>

NOW THE COMMISSION, upon consideration of this matter, adopts the reasoning, findings, and recommendations set forth in the Hearing Examiner's Report.<sup>8</sup> We agree that an updated Rider RBB with a Rate Year revenue requirement of \$7,431,865, consisting of a Projected Cost Recovery Factor of \$7,430,685 and an Actual Cost True-Up Factor of \$1,180, is appropriate and should be approved.

Accordingly, IT IS ORDERED THAT:

- (1) The reasoning, findings, and recommendations set forth in the Hearing Examiner's Report are hereby adopted as set forth herein.
- (2) Rider RBB is approved as described herein with a revenue requirement in the amount of \$7,431,865 for the Rate Year.
- (3) Rider RBB shall be effective for service rendered on and after December 1, 2022.

(4) The Company forthwith shall file a revised Rider RBB and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(5) The Company shall file its next Rider RBB application on or after May 1, 2023.

(6) This case is dismissed.

<sup>5</sup> Tr. 4-5.

<sup>6</sup> Report at 24-25.

<sup>7</sup> *Id.* at 25. On October 7, 2022, Dominion filed comments supporting the findings and recommendations set forth in the Report.

<sup>8</sup> In so doing, we have considered and weighed all of the evidence.

**CASE NO. PUR-2022-00063  
DECEMBER 14, 2022**

APPLICATION OF  
FIREFLY ENERGY LLC & APPALACHIAN POWER COMPANY

For certificates of public convenience and necessity for solar generating and associated facilities in Pittsylvania, Virginia

**ORDER GRANTING WITHDRAWAL**

On April 27, 2022, pursuant to Code §§ 56-46.1, 56-265.2, 56-580 D, and 20 VAC 5-302-20, Firefly Energy LLC and Appalachian Power Company (collectively, the "Joint Applicants") filed with the State Corporation Commission ("Commission") an application ("Application") for certificates of public convenience and necessity for solar generating and associated facilities in Pittsylvania County, Virginia.

On May 31, 2022, the Commission entered an Order *Nunc Pro Tunc* ("Procedural Order") replacing an earlier Order for Notice and Hearing in this matter previously entered on May 26, 2022. Among other things, the Procedural Order docketed the Application; required the Joint Applicants to provide notice of the Application; scheduled public hearings in this matter; established a schedule for the submission of notices of participation, prefiled testimony, and written comments; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

On November 30, 2022, the Joint Applicants filed a Joint Motion to Withdraw Application and Terminate Proceeding and for Expedited Consideration ("Withdrawal Motion"). The Joint Applicants represent that they have continued to assess the costs of the Project, anticipate rising costs associated with the Project, and have determined that they cannot proceed forward with the Project given cost uncertainty.<sup>1</sup> The Joint Applicants request leave to withdraw the Application without prejudice and ask the Commission to terminate this proceeding.<sup>2</sup> They also represent that Staff and Consumer Counsel, the only respondent in this matter, do not oppose the Withdrawal Motion.<sup>3</sup>

On December 1, 2022, the Hearing Examiner issued the Report of A. Ann Berkebile, Senior Hearing Examiner, wherein the Senior Hearing Examiner recommended the Commission enter an Order authorizing the Joint Applicants' withdrawal of the Application and dismissing this matter without prejudice.

NOW THE COMMISSION, upon consideration of the Withdrawal Motion, is of the opinion and finds that the Joint Applicants' Withdrawal Motion should be granted.

Accordingly, IT IS SO ORDERED and this matter is DISMISSED without prejudice.

<sup>1</sup> Withdrawal Motion at 3.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

**CASE NO. PUR-2022-00064  
SEPTEMBER 16, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

**ORDER ESTABLISHING 2022-2023 FUEL FACTOR**

On May 5, 2022, Virginia Electric and Power Company ("Company" or "Dominion") filed with the State Corporation Commission ("Commission") its application ("Application") pursuant to § 56-249.6 of the Code of Virginia ("Code") seeking an increase in its fuel factor effective for usage on and after July 1, 2022. The Application describes the Company's (i) projected jurisdictional fuel expense for the July 1, 2022 through June 30, 2023 fuel year ("Rate Year"), and (ii) projected June 30, 2022 fuel deferral balance. The Application states that together, these components would translate into a total fuel factor rate of 4.4568 cents per kilowatt hour ("¢/kWh") for the Rate Year.<sup>1</sup>

The Application presented two potential mitigation plans for the Commission's consideration in which recovery of the Company's projected June 30, 2022 fuel deferral balance could be spread over two years in one plan, and three years in another plan, thereby reducing the proposed fuel factor rate.<sup>2</sup> The Company requested that the Commission establish a three-year mitigation plan ("Mitigation Plan"), with a corresponding proposed fuel rate of 3.5379¢/kWh for the Rate Year.<sup>3</sup>

The Company's proposed fuel factor, reflected in Fuel Charge Rider A, consists of both current and prior period factors. The Company's proposed current period factor for Fuel Charge Rider A of 3.0784¢/kWh is designed to recover the Company's estimated Virginia jurisdictional fuel expenses, including purchased power expenses, of approximately \$2.278 billion for the period July 1, 2022, through June 30, 2023. The Company's proposed Prior Period factor for Fuel Charge Rider A of 0.4595¢/kWh is designed to collect approximately one-third of the Company's \$1.020 billion projected fuel deferral balance as of June 30, 2022, or \$288.8 million, as adjusted downward to reflect Dominion's proposed accounting change for market-based rate ("MBR") customers.<sup>4</sup> The Company asserts that this adjustment does not impact the proposed fuel rates for non-MBR customers.<sup>5</sup>

<sup>1</sup> Ex. 2 (Application) at 2. The Company's previous fuel rate for the July 1, 2021 through June 30, 2022 fuel year was 2.0448¢/kWh, as established in *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUR-2021-00097, 2021 S.C.C. Ann. Rept. 481, Order Establishing 2021-2022 Fuel Factor (June 29, 2021).

<sup>2</sup> Ex. 2 (Application) at 3, 4.

<sup>3</sup> *Id.* at 4.

<sup>4</sup> Ex. 16 (Stuller) at 2, 3. The amount of \$288.8 million represents one-third of \$866.5 million, which is the Company's calculation of its deferral balance as of June 30, 2022, adjusted to exclude fuel costs associated with Dominion customers under certain MBR schedules. *Id.* at Schedule 6.

<sup>5</sup> Ex. 4 (Gaskill Direct) at 12.

In total, Dominion's proposed fuel factor represents a 1.4931¢/kWh increase<sup>6</sup> from the fuel factor rate previously in effect of 2.0448¢/kWh.<sup>7</sup> According to the Company, this proposal would result in an annual fuel revenue increase of approximately \$1.105 billion between July 1, 2022, and June 30, 2023.<sup>8</sup> The total proposed fuel factor would increase the average weighted monthly bill of a residential customer using 1,000 kWh of electricity by \$14.93, or approximately 12.2%.<sup>9</sup>

In the Application, the Company also requested approval of an accounting change regarding the funding of the fuel factor for customers taking service under the approved MBR schedules: Rate Schedule MBR, Rate Schedule MBR-GS-3, Rate Schedule MBR-GS-4, and the SCR Rate Schedule (collectively, the "MBR Customers"). The Company asserts that this proposed accounting change will better align the timing of the fuel expense incurred by the Company and the revenues received through the market-based charges from these customers. The Company asserts that this change holds both MBR and non-MBR customers harmless and is intended to resolve a timing mismatch between revenue and fuel expense that exists for customers taking service on these voluntary rate schedules.<sup>10</sup>

On May 24, 2022, the Commission issued its Order Establishing 2022-2023 Fuel Factor Proceeding in which, among other things, the Commission: (i) stated "[t]he Company's proposed fuel factor of 3.5379¢/kWh may, at the Company's election, be placed into effect on an interim basis for usage on and after July 1, 2022[;]" (ii) scheduled a telephonic hearing for July 6, 2022, to receive the testimony of public witnesses; (iii) scheduled an in-person public hearing for July 7, 2022; (iv) directed the Company to provide notice to the public; (v) provided interested persons an opportunity to comment on the Company's Application; and (vi) appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

The following parties filed notices of participation: the Virginia Committee for Fair Utility Rates ("Committee"); Direct Energy Business, LLC and Direct Energy Services, LLC; Appalachian Voices; and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). On June 16, 2022, Appalachian Voices filed direct testimony. On June 24, 2022, the Commission's Staff ("Staff") filed its direct testimony.<sup>11</sup> On June 29, 2022, Dominion filed rebuttal testimony.

On July 6, 2022, the Chief Hearing Examiner appointed by the Commission convened the public witness hearing, receiving testimony from four public witnesses.<sup>12</sup> On July 7, 2022, the Chief Hearing Examiner convened the evidentiary hearing, as scheduled. Dominion, the Committee, Appalachian Voices, Consumer Counsel, and Staff participated at the hearing.

On July 26, 2022, the Company, with Staff and the Committee, filed a Proposed Stipulation and Recommendation ("Stipulation"). On August 3, 2022, Consumer Counsel filed a response and Appalachian Voices filed comments in which they both opposed certain portions of the Stipulation. Consumer Counsel and Appalachian Voices opposed the Stipulation's provision concerning carrying charges, and Appalachian Voices took issue with the Stipulation's reporting requirements concerning the dispatch of Dominion's coal units. On August 8, 2022, Dominion filed its Reply in Support of the Proposed Stipulation and Recommendation.

On August 11, 2022, the Report of Alexander F. Skirpan, Jr., Chief Hearing Examiner ("Report") was issued. In his Report, the Chief Hearing Examiner summarized the record in this proceeding. The Chief Hearing Examiner found that a revised total fuel factor, based on the Company's Mitigation Plan of 3.5379¢/kWh meets the requirements of § 56-249.6 of the Code. The Chief Hearing Examiner agreed with Staff's recommendation that in future fuel factor proceedings, until Virginia's continued membership in the Regional Greenhouse Gas Initiative ("RGGI") is ascertained, the Company should file modeling results both including and excluding RGGI compliance costs. The Chief Hearing Examiner recommended that the Commission defer deciding the issue of carrying charges until a future base rate proceeding; and that the Commission approve the Company's proposed going-forward accounting change related to the funding of the fuel factor for MBR Customers. Finally, regarding the issue related to self-scheduling of Dominion's coal units raised by Appalachian Voices, the Chief Hearing Examiner concluded that the Company's self-scheduling appears to be reasonable and designed to provide lower overall fuel costs for the Company's customers.

The Company, Committee, Appalachian Voices, Consumer Counsel and Staff filed comments to the Report.

NOW THE COMMISSION, upon consideration of this matter, adopts the findings set forth in the Chief Hearing Examiner's Report as modified herein and finds that a revised total fuel factor of 3.5379¢/kWh, consisting of a current period factor of 3.0784¢/kWh and a prior period factor of 0.4595¢/kWh is approved for usage on and after July 1, 2022. In approving this fuel factor, we adopt the Company's three-year Mitigation Plan. We also note that this is the same total fuel factor that the Company placed into effect on an interim basis for usage on and after July 1, 2022 and therefore, will not result in an additional increase at this time.

<sup>6</sup> As noted above, Dominion's proposed fuel factor is derived from its three-year mitigation plan. The increase in the fuel factor rate if no mitigation is applied would be 2.4120¢/kWh.

<sup>7</sup> Ex. 16 (Stuller) at Schedule 10.

<sup>8</sup> Ex. 16 (Stuller) at 1-2.

<sup>9</sup> *Id.* at 8. If no mitigation is applied to the fuel deferral balance, the Company stated that the increase for such a residential customer would be 19.8%. Ex. 2 (Application) at 3.

<sup>10</sup> Ex. 2 (Application) at 5.

<sup>11</sup> Staff supplemented its direct testimony on July 5, 2022.

<sup>12</sup> The Commission also received written public comments on the Company's Application.

We additionally find that the Stipulation is reasonable, and should be approved, including the proposal set forth in the Stipulation whereby the Company would waive recovery of one-half of its reasonable and prudent incremental carrying costs arising from its Mitigation Plan. According to the Stipulation, this would result in the Company waiving recovery of approximately \$27.5 million in financing costs.<sup>13</sup> In approving the Stipulation, we note that while Consumer Counsel and Appalachian Voices request that the Commission order Dominion to waive all incremental carrying costs attendant to its Mitigation Plan based on Dominion's agreement to waive carrying costs in prior cases,<sup>14</sup> neither Consumer Counsel nor Appalachian Voices suggest that those carrying costs would not be incurred by the Company and their requests lacked citation to legal authority or precedent for the Commission to require such waiver.

In granting this approval, the Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to this case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Regarding Dominion's self-scheduling of its generation units, the Commission takes the issues raised by Appalachian Voices witness Gregory Abbott<sup>15</sup> seriously and has carefully evaluated the evidence in the record. We agree with the Chief Hearing Examiner that "[b]ased on the record in this proceeding, the process by which Dominion Energy self-schedules its generating units, including its coal units, appears to be reasonable and designed to provide lower overall fuel costs for its customers."<sup>16</sup> Based on the record, we similarly "do not find it speculative, nor does it appear to be in customers' interest for the Commission to prohibit self-scheduling going forward."<sup>17</sup> We note that the Company asserts that it "works diligently to dispatch all units across the fleet in the most economic manner possible for customers within the confines of market, regulatory, and reliability considerations."<sup>18</sup> The Commission expects the Company to continue to abide by this commitment and its duty to "prudently dispatch[] and manag[e] the generation fleet to deliver safe, reliable, and affordable power to [] customers."<sup>19</sup> Based on the record in this proceeding, we disagree with the Chief Hearing Examiner that a Staff investigation of the Company's recordkeeping regarding self-scheduling is warranted at this time.<sup>20</sup>

Accordingly, IT IS ORDERED THAT:

- (1) The Company's fuel factor shall be 3.5379¢/kWh, effective for usage on and after July 1, 2022.
- (2) The Stipulation is approved.
- (3) The Company shall comply with the directives set forth in this Order.
- (4) This case is continued.

<sup>13</sup> Ex. 32 (Stipulation) at Exhibit A. The Stipulation further provides that review of the actual financing costs incurred will occur in the review of the Company's rates for generation and distribution services conducted in the Company's triennial review proceedings pursuant to § 56-585.1 A 3 of the Code of Virginia, in which remaining financing costs are eligible for recovery. *Id.* at 2.

<sup>14</sup> Specifically, Consumer Counsel cites to *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUE-2003-00285, 2003 S.C.C. Ann. Rept. 542, Order Establishing 2004 Fuel Factor (Dec. 12, 2003); *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUE-2008-00039, 2008 S.C.C. Ann. Rept. 533, Order Establishing Fuel Factor (June 27, 2008); *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUE-2011-00045, 2011 S.C.C. Ann. Rept. 498, Order Establishing Fuel Factor (June 27, 2011); and *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUE-2014-00033, 2014 S.C.C. Ann. Rept. 414, Order Establishing 2014-2015 Fuel Factor (Sept. 18, 2014). Consumer Counsel Response at 3-4.

<sup>15</sup> See Tr. 215.

<sup>16</sup> Report at 38.

<sup>17</sup> *Id.*

<sup>18</sup> Ex. 29 (Vitiello Rebuttal) at 17.

<sup>19</sup> *Id.* at 17-18.

<sup>20</sup> We note further in this regard that under the Stipulation approved herein, the Company "acknowledges that it will maintain records created in the normal course of business regarding the dispatch decisions of its other coal units (Chesterfield Units 5 and 6, Clover Units 1 and 2, and Mt. Storm Units 1, 2, and 3) and will disclose such documentation through discovery, if requested, in future fuel factor and other relevant proceedings pursuant to the Commission's Rules of Practice and Procedure." Ex. 32 (Stipulation) at 2.



**CASE NO. PUR-2022-00065  
JULY 14, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia

**FINAL ORDER**

On May 5, 2022, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 4 ("Subsection A 4") of the Code of Virginia ("Code"), filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a revised increment/decrement rate adjustment clause designated as Rider T1.

Subsection A 4 deems to be prudent, among other things, the "costs for transmission services provided to the utility by the regional transmission entity of which the utility is a member" and "costs charged to the utility that are associated with demand response programs approved by the Federal Energy Regulatory Commission ["FERC"] and administered by the regional transmission entity of which the utility is a member." Pursuant to § 56-585.1 A 7 of the Code, "the Commission's final order regarding any petition filed pursuant to [Subsection A 4]...shall be entered not more than three months...after the date of filing of such petition."

The Company has been a member of PJM,<sup>1</sup> a regional transmission entity that has been approved by FERC as a regional transmission organization, since 2005.<sup>2</sup> Dominion, as an integrated electric utility member of PJM, obtains transmission service from PJM and pays PJM charges for such service at the rates contained in PJM's Open Access Transmission Tariff approved by FERC.<sup>3</sup> The Company states that it also pays PJM charges for costs associated with demand response programs approved by FERC and administered by PJM.<sup>4</sup>

In this proceeding, Dominion seeks approval of a revenue requirement for the rate year September 1, 2022, through August 31, 2023 ("Rate Year").<sup>5</sup> This revenue requirement would be recovered through a combination of base rates and a revised increment/decrement Rider T1. Rider T1 is designed to recover the increment/decrement between the revenues produced from the Subsection A 4 component of base rates and the new revenue requirement developed from the Company's Subsection A 4 costs for the Rate Year.<sup>6</sup>

The total proposed revenue requirement to be recovered over the Rate Year is \$706,429,291, comprising an increment Rider T1 of \$224,262,046, and forecast collections of \$482,167,245 through the transmission component of base rates.<sup>7</sup> This total revenue requirement represents a decrease of \$161,091,025, compared to the revenues projected to be produced during the Rate Year by the combination of the base rate component of Subsection A 4 (the Company's former Rider T) and the Rider T1 rates currently in effect.<sup>8</sup> Implementation of the proposed Rider T1 on September 1, 2022 would decrease the total monthly bill of a typical residential customer using 1,000 kilowatt-hours per month by \$3.69.<sup>9</sup>

On May 19, 2022, the Commission issued an Order for Notice and Hearing that, among other things, established a procedural schedule for this case; directed the Company to provide public notice of its Application; provided interested persons an opportunity to file comments on the Application or to participate as respondents in this proceeding; scheduled an evidentiary hearing; scheduled a separate hearing to receive public witness testimony; and directed the Commission's Staff ("Staff") to investigate the Application. The Commission also assigned a Hearing Examiner to conduct further proceedings in this matter on behalf of the Commission, including filing a final report containing the Hearing Examiner's findings and recommendations.

The Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel") and the Virginia Committee for Fair Utility Rates ("Committee") filed timely notices of participation in this proceeding.

On June 10, 2022, Staff filed its testimony and exhibits. Staff supported the Company's proposed revenue requirement of \$706,429,291, of which \$224,262,046 would be collected through the revised Rider T1 rates. Staff confirmed that Dominion's proposed jurisdictional methodology is consistent with the methodology approved by the Commission in the 2021 Rider T1 Order.<sup>10</sup> Staff did not oppose the Company's proposals to change the transmission-related demand billing determinant for Schedule 10 and to add transmission-related standby charges to Schedule 1S.

<sup>1</sup> PJM Interconnection, LLC

<sup>2</sup> Ex. 2 (Application) at 4.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 5.

<sup>5</sup> *Id.* at 1.

<sup>6</sup> *Id.* at 6.

<sup>7</sup> *Id.* at 6-7; Ex. 3 (Wilkinson) at 2.

<sup>8</sup> Ex. 3 (Wilkinson) at 2.

<sup>9</sup> Ex. 5 (Haynes) at 12.

<sup>10</sup> See *Application of Virginia Electric and Power Company, For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia*, Case No. PUR-2021-00102, Doc. Con. Cen. No. 210820275, Final Order (Aug. 16, 2021).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On June 16, 2022, Dominion, by counsel, filed a letter in lieu of rebuttal testimony. Dominion's letter, among other things, indicated that the Company agreed with Staff's findings and recommendations.

No public witnesses signed up to testify at the hearing scheduled for June 27, 2022, and the public witness hearing was accordingly canceled.<sup>11</sup> The Company, Staff, and Consumer Counsel participated in the evidentiary hearing on June 28, 2022.

On June 30, 2022, the Report of Mathias Roussy, Jr., Hearing Examiner ("Report") was filed. In the Report, the Hearing Examiner summarized the record and made the following findings and recommendations:<sup>12</sup>

- The Commission should approve the Company's requested total Subsection A 4 revenue requirement of \$706,429,291, of which \$224,262,046 is to be collected through Rider T1 during the Rate Year;
- The Commission should approve the Company's proposed cost allocation, including the ongoing phase-in of a twelve-coincident peak methodology, which is reasonable and consistent with the 2021 Rider T1 Order; and
- The Commission should approve Dominion's rate design, including the proposals to: (a) change the demand billing determinant for Schedule 10; and (b) add transmission-related standby charges to Schedule 1S.

On July 7, 2022, Staff filed a letter requesting that the Commission adopt the Hearing Examiner's findings and recommendations.<sup>13</sup> Also on June 7, 2022, Dominion likewise requested that the Commission issue an order adopting the findings and recommendations in the Report.<sup>14</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. We agree with the Hearing Examiner that the record in this case supports a revenue requirement of \$706,429,291, of which \$224,262,046 is to be collected through Rider T1 during the Rate Year. The Commission further approves Dominion's proposed cost allocation and rate design as set forth in its Application. In approving the Company's rate design proposal, we agree with the Hearing Examiner that the Company's proposals to (a) change the demand billing determinant for Schedule 10; and (b) add transmission-related standby charges to Schedule 1S, are supported by the record in this case.

Pursuant to the language of Subsection A 4, the costs that are the subject of this Application are "deemed reasonable and prudent," including the Company's return on investment, which is set by FERC; the Commission is without discretion to add to or subtract from these costs. Accordingly, we apply the law as given to us; this is what we have done herein.

Accordingly, IT IS ORDERED THAT:

- (1) The Hearing Examiner's findings and recommendations are adopted as set forth herein.
- (2) Rider T1, as approved herein, shall become effective for service rendered on and after September 1, 2022.
- (3) The Company forthwith shall file, with the Clerk of the Commission and the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, the updated tariff sheets for Rider T1, Schedule 10 and Schedule 1S as approved herein.
- (4) This matter is dismissed.

<sup>11</sup> The Commission received one written public comment on the Company's Application, expressing concern over the amount of dividends paid to Company shareholders in recent years as compared to fuel costs allocated to Dominion customers.

<sup>12</sup> Report at 13.

<sup>13</sup> Staff Comments at 1.

<sup>14</sup> Dominion Comments at 2.

**CASE NO. PUR-2022-00066  
JULY 11, 2022**

APPLICATION OF  
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

For approval to implement SAVE rates For each customer class for Year 4 of its SAVE Plan

**ORDER GRANTING APPROVAL**

On April 29, 2022, Appalachian Natural Gas Distribution Company ("ANGD" or "Company") filed 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 Act ("SAVE Plan"),<sup>1</sup> and in accordance with the State Corporation Commission's ("Commission") July 16, 2019 Order Approving SAVE Plan and Rider in Case No. PUR-2019-00011 ("2019 SAVE Order").<sup>2</sup> ANGD's Application seeks approval to implement SAVE rates for each customer class for Year 4 of its SAVE Plan ("Year 4 Rates"). ANGD requests that the proposed Year 4 Rates for each customer class become effective August 1, 2022.<sup>3</sup>

In its Application, the Company states that in its 2019 SAVE Order, the Commission directed ANGD to file its request for Year 4 Rates by May 1, 2022, for the rate year beginning August 1, 2022, and ending July 31, 2023.<sup>4</sup> Per ANGD, the Commission also directed ANGD to file a "Reconciliation Rate" in Year 4 of the SAVE Plan, reconciling the 12-month period of January 2021 through December 2021.<sup>5</sup>

According to the documents and workpapers submitted by the Company in support of the revenue requirement for the Year 4 Rates, the revenue requirement and Year 4 Rates are designed to recover costs, as defined by § 56-603 of the Code, of eligible infrastructure replacement projects that will occur in Year 4.<sup>6</sup> The Year 4 projects include replacement of approximately 7,000 ft. of vintage plastic main in the North College area, on Noel St., Thayer St., Depot St., Wilson St., Vencil St., Harmon St., and Walnut Ave. to North College.<sup>7</sup> The total 2022 SAVE factor revenue requirement presented by the Company is \$151,299.<sup>8</sup> According to the Application, residential customers will receive a charge of approximately \$4.81 per month, shown as a line item on customer bills.<sup>9</sup>

On May 24, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") in this proceeding, that among other things, docketed the Application, required the Company to publish notice of the Application, provided an opportunity for interested persons to file comments or requests for hearing, and directed Staff to investigate the Application and file a report ("Staff Report") containing its findings and recommendations.

On June 23, 2022, Staff filed its Staff Report wherein, after review and analysis, Staff recommended a revenue requirement of \$152,794,<sup>10</sup> and provided its reasons and analysis therefor.<sup>11</sup> Staff noted that the \$152,794 revenue requirement calculated by Staff is \$1,495 more than the amount requested and noticed by the Company.<sup>12</sup> Staff noted that the Commission may wish to limit the revenue requirement to the \$151,299 noticed to customers,<sup>13</sup> and that any revenue requirement amount above the noticed level can be incorporated in a future true-up.<sup>14</sup> Staff further supported the Company's proposal to use the 8.423% overall cost of capital and the 9.4% cost of equity approved in Case No. PUR-2018-00015<sup>15</sup> and is not opposed to the Company's proposed class allocation of the 2022 SAVE Rider revenue requirement.<sup>16</sup>

<sup>1</sup> Code §§ 56-603 through 56-604.

<sup>2</sup> *Petition of Appalachian Natural Gas Distribution Company, For approval of a SAVE Plan and Rider as provided by Chapter 26 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00011, 2019 S.C.C. Ann. Rept. 361, Order (July 16, 2019).

<sup>3</sup> Application at 4.

<sup>4</sup> *Id.* at 2; *See also* 2019 SAVE Order at 3.

<sup>5</sup> Application at 2; *See also* 2019 SAVE Order at 3.

<sup>6</sup> Application at 2.

<sup>7</sup> *Id.*; *See also Id.* at Schedule 18.

<sup>8</sup> *Id.* at 3.

<sup>9</sup> Application at Revised Exhibit JDJ, Schedule 17.

<sup>10</sup> Staff Report at 8.

<sup>11</sup> *Id.* at 2-5.

<sup>12</sup> *Id.* at 8; Application at Exhibit JDJ, Schedule 1.

<sup>13</sup> Procedural Order at 5. *See also*, Staff Report at 4-8.

<sup>14</sup> Staff Report at 8.

<sup>15</sup> *Id.* at 5, *citing Application of Appalachian Natural Gas Distribution Company, For a general increase in rates*. Case No. PUR- 2018-00015, 2019 S.C.C. Ann. Rept. 180, Final Order (Nov. 15, 2019).

<sup>16</sup> *Id.* at 6.

On June 27, 2022, ANGD filed a letter stating the Company does not object to the recommendations in the Staff Report.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that ANGD's Year 4 Rates are approved as recommended by Staff in its Staff Report, *to wit*:

- (1) The Commission finds the Year 4 revenue requirement as revised by Staff is \$152,794.<sup>17</sup>
- (2) The Commission further finds that ANGD shall recover only the \$151,299 noticed to customers and that any revenue requirement amount above the noticed level, may be incorporated by the Company in a future true-up.
- (3) The Commission further finds that, based upon the Company's proposed 2022 SAVE Rider total revenue requirement, a residential customer will be assessed a fixed monthly SAVE Rider charge of \$4.81 per month, which reflects a monthly decrease of \$1.39 compared to the 2021 SAVE Rider.<sup>18</sup>
- (4) The Commission further approves the recommended use of the overall cost of capital and cost of equity last approved for ANGD in Case No. PUR-2018-00015,<sup>19</sup> and the class allocation proposed by the Company in its instant Application.<sup>20</sup>

The Commission also finds the rate assessed to each applicable rate schedule should be calculated by dividing the allocated SAVE rider requirement for each rate class by the class's projected billing units for the 2022 rate year, as proposed by the Company in its Application.<sup>21</sup>

Accordingly, IT IS ORDERED THAT:

- (1) The Company's Application, as modified herein, is approved. Rates reflecting the Commission's findings shall become effective beginning August 1, 2022, and shall remain in effect until July 31, 2023.
- (2) ANGD forthwith shall file, with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, revised tariffs for the SAVE rider and all workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/Pages/Case-Information](http://scc.virginia.gov/Pages/Case-Information).
- (3) This matter is dismissed.

<sup>17</sup> *Id.* at 2, 8.

<sup>18</sup> *Id.* at 7.

<sup>19</sup> *Id.* at 5

<sup>20</sup> *Id.* at 6.

<sup>21</sup> Revised Schedule 17. This is the same methodology that was approved by the Commission in the Company's prior SAVE Rider proceeding, Case No. PUR-2021-00086. *See* Staff Report at 6-7; *Application of Appalachian Natural Gas Distribution Company, For approval to implement SAVE rates for each customer class for Year 3 of its SAVE Plan*, Case No. PUR-2021-00086, Doc. Con. Cen. No. 210730074, Order Granting Approval (July 27, 2021).

**CASE NO. PUR-2022-00068  
JULY 18, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY, DOMINION PRIVATIZATION HOLDINGS, INC., AND  
DOMINION PRIVATIZATION VIRGINIA, LLC

For approval to enter into affiliate agreements and for authority to transfer assets under Chapters 4 and 5 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On May 25, 2022, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV"), Dominion Privatization Holdings, Inc. ("DP Holdings"), and Dominion Privatization Virginia, LLC ("DP Virginia") (collectively, "Petitioners"),<sup>1</sup> filed a joint petition ("Petition") with the State Corporation Commission ("Commission") for approval to enter into affiliate agreements and for authority to transfer assets under Chapters 4<sup>2</sup> and 5<sup>3</sup> of Title 56 of the Code of Virginia ("Code").

<sup>1</sup> DEV, DP Holdings, and DP Virginia are direct or indirect subsidiaries of Dominion Energy, Inc. ("DEI").

<sup>2</sup> Code § 56-76 *et seq.* ("Affiliates Act").

<sup>3</sup> Code § 56-88 *et seq.* ("Utility Transfers Act").

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Specifically, the Petitioners seek: (1) approval of an Asset Transfer and Assumption of Liabilities Agreement ("Transfer Agreement") to transfer nonregulated utility assets (and related liabilities) located at eight U.S. military installations ("Installations") in Virginia from DEV to DP Virginia ("Transfer"), and (2) approval of a System Usage Agreement to permit DP Holdings to use DEV's legacy and new customer information systems ("CIS"), ancillary systems, and any successor systems (collectively, "DEV Systems") to serve military customers.

Effective February 13, 2004, 10 U.S.C. § 2688 authorized the Secretary of a U.S. military department to convey part or all of the utility system on any Installations under the Secretary's jurisdiction ("Privatization Assets") to a utility company or other entity to operate the utility system on the military's behalf. Between 2004 and 2007, DEV won competitive bids on eight Installations in Virginia<sup>4</sup> to obtain the Privatization Assets and to provide 50 years of operation and maintenance ("O&M") services pursuant to Utility Privatization Contracts ("UP Contracts").<sup>5</sup>

The proposed Transfer is intended to transfer the Privatization Assets and the UP Contracts located at the eight Installations in Virginia from DEV to DP Virginia. The Virginia Privatization Assets primarily consist of electric distribution assets with some transmission assets included.<sup>6</sup> The Petitioners propose to transfer the Privatization Assets at the higher of cost or market as of the Transfer's closing date, which the Petitioners represent is the Privatization Assets' net book value.

The Petitioners represent that the primary purpose of the proposed Transfer is to create a more distinct separation between DEV's regulated assets and the non-state-regulated Privatization Assets.<sup>7</sup> The Installations are considered non-jurisdictional customers for Virginia ratemaking purposes. The Petitioners believe that the Transfer will clarify DEI's adherence with the federal jurisdiction and contractual requirements governing the UP Contracts. Second, the Petitioners represent the Transfer will restructure the Virginia Privatization Assets in a way consistent with DEI's other privatization projects<sup>8</sup> and promote more operating efficiencies and economies of scale. Third, the Petitioners also represent that the Transfer will reduce DEV's financial risk.<sup>9</sup> DEI will provide a parent guaranty to the eight Virginia Installation customers, whereby DEI will serve as surety for DP Virginia's performance under the UP Contracts, which will relieve DEV of any direct liability associated with the Privatization Assets.<sup>10</sup> Finally, the Petitioners represent that DEV will receive a financial benefit in the form of the Transfer payment that DEV's regulated customers did not pay for, either with the initial acquisition or during subsequent capital improvements. In response to Staff discovery, the Petitioners represent that the Privatization Assets have not been included in jurisdictional rate base in any base rate, rider, biennial, or triennial case before the Commission.<sup>11</sup>

The Petitioners also seek approval of a System Usage Agreement that will allow DP Holdings to utilize the DEV Systems, which includes DEV's legacy Customer Information System ("CIS") a/k/a Customer Business Management System ("CBMS"), its new CIS ("New CIS"), its Work Management Information System ("WMIS"), its Trouble Reporting Systems ("TRS"), and any successor DEV Systems,<sup>12</sup> to provide customer services to the Installations (collectively, "Uses and Services").

The Petitioners represent that CBMS, which houses all the address, meter, delivery point, and premise information and is also the starting point to initiate a work request or enter an outage, is not vendor supported and will soon be obsolete. The New CIS will replace CBMS and is expected to be operational by the second quarter of 2023.<sup>13</sup> TRS is an internally developed application specific to DEV's power delivery business. WMIS is a licensed software package that has been customized and integrated with DEV's other work management systems.

Currently, DEV employees use the DEV Systems to service the customer accounts for the Installations in Virginia, while Dominion Energy Services, Inc. employees use the DEV Systems to service the customer accounts for Installations outside of Virginia.<sup>14</sup> DP Virginia does not have any employees.<sup>15</sup> Upon approval of the proposed System Usage Agreement, DP Holdings will assume the responsibility for using the DEV Systems to perform all of the work related to the day-to-day management of operations and maintenance for all in-state and out-of-state Privatization Assets held by the Privatization Group pursuant to the UP Contracts.

<sup>4</sup> The Virginia military installations include Arlington National Cemetery, Fort Belvoir, Fort Eustis, Fort Lee, Fort McNair, Fort Myer, Fort Story, and Henderson Hall.

<sup>5</sup> The UP Contracts between DEV and the U.S. military installations state that the O&M services include service connection/disconnection, repair and maintenance work, capital improvement process, and other services.

<sup>6</sup> The Privatization Assets to be transferred will include, in addition to electric distribution plant, "1. (b) all accounts receivable, unbilled accounts receivables, work-in-progress, claims or causes of action and judgment, books and records (or portions thereof), records and files (physical or electronic) relating specifically to the Virginia Privatization Business; and (c) the liabilities, duties, and commitments and obligations of DEV relating specifically to the Virginia Privatization Business." See Attachment C to the Confidential Application, Asset Transfer and Assumption of Liabilities Agreement at 1.

<sup>7</sup> See Petitioners' Response to Staff DR No. 1-1, which is attached to the Staff action brief filed concurrently with this order.

<sup>8</sup> Since 2017, DEI has created several legal entities to hold Privatization Assets and UP Contracts around the country, including DP Holdings, DP Virginia, Dominion Privatization Pennsylvania, LLC, Dominion Privatization South Carolina, LLC, and Dominion Privatization Texas, LLC (collectively, the "Privatization Group").

<sup>9</sup> See Petitioners' Response to Staff DR No. 1-2, which is attached to the Staff action brief filed concurrently with this order.

<sup>10</sup> *Id.*

<sup>11</sup> See Petitioners' Responses to Staff DR Nos. 2-11 and 2-12, which are attached to Staff's action brief filed concurrently with this order.

<sup>12</sup> See Attachment A of the Public Application (Transaction Summary-Affiliate Transactions), Q&A 2 at 2.

<sup>13</sup> See Attachment A of the Public Application (Transaction Summary-Affiliate Transactions), Q&A 3 at 4.

<sup>14</sup> See Attachment A of the Public Application (Transaction Summary-Affiliate Transactions), Q&A 2 at 2-3.

<sup>15</sup> See Petitioners' Response to Staff DR No. 1-6, which is attached to Staff's action brief filed concurrently with this order.

DP Holdings will pay DEV a one-time fee for modifications and customizations to the DEV Systems so that DP Holdings will be able to service the Privatization Asset accounts.<sup>16</sup> While CBMS remains operational, DP Holdings will pay a charge per month for use of the collective DEV System.<sup>17</sup> Once the New CIS goes into service, DP Holdings will pay a new charge per month.<sup>18</sup> The monthly charge will be determined by computing a customer count allocation factor (dividing the number of privatization customers by the total number of customer accounts), which will then be applied to annual DEV System costs divided by 12 to yield the monthly bill charged to DP Holdings.

Both the one-time fee and the monthly charges will be at cost.<sup>19</sup> DEV represents that since there is no market for an integrated CBMS, TRS, and WMIS platform, pricing at cost is appropriate for use of the legacy DEV System. DEV further represents that pricing at cost for the use of the upgraded DEV System is appropriate since the New CIS is the result of a competitive bid process and its purchase cost can be assumed to be equivalent to the current market price.<sup>20</sup>

The Petitioners represent that the proposed System Usage Agreement will remain in effect for an initial term of five years unless terminated earlier by either party upon 60 days written notice.<sup>21</sup> After the initial term, the System Usage Agreement will automatically renew for five years at a time subject to Commission approval.

The Petitioners state that, in order to transfer the UP Contracts from DEV to DP Virginia, the Petitioners will require a novation approved by the federal government agency that is party to each contract held by DEV.<sup>22</sup> The proposed Transfer is the first step in that process. During the novation approval process, DEV will provide limited interim billing and remittance services to DP Virginia. The Petitioners represent that the interim services will be provided pursuant to a Revised Form Agreement approved in Case No. PUR-2017-00111,<sup>23</sup> and, therefore, the Petitioners will not require separate Affiliates Act approval.<sup>24</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed Transfer is in the public interest and adequate service to the public at just and reasonable rates will not be impaired or jeopardized by the proposed Transfer and, accordingly, the Transfer is approved. To ensure that that this approval does not extend indefinitely, we limit our approval of the Transfer to three years from the effective date of this order.

Likewise, based on the Petitioners' representations, the proposed System Usage Agreement is in the public interest and is approved. Specifically, we will require DEV to maintain records, which shall be available to Staff upon request, to verify that DP Holding's use of the DEV Systems complies with DEI's security protocols,<sup>25</sup> and that DEV customer information is kept secure. Both approvals will be subject to the requirements listed in the Appendix attached to this order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 and § 56-89 of the Code, the Petitioners are granted approval of the Transfer Agreement, and pursuant to § 56-77 of the Code, the Petitioners are granted approval of the System Usage Agreement. The approvals are subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

<sup>16</sup> See Attachment A of the Confidential Application (Transaction Summary-Affiliate Transactions), Q&A 3 at 5.

<sup>17</sup> See Attachment A of the Confidential Application (Transaction Summary-Affiliate Transactions), Q&A 3 at 5.

<sup>18</sup> See Attachment A of the Confidential Application (Transaction Summary-Affiliate Transactions), Q&A 3 at 5.

<sup>19</sup> See Attachment A of the Public Application (Transaction Summary-Affiliate Transactions), Q&A 3 at 4.

<sup>20</sup> See Attachment A of the Public Application (Transaction Summary-Affiliate Transactions), Q&A 3 at 4-5, and See Petitioners' Response to Staff DR No. 1-9, which is attached to Staff's action brief filed concurrently with this order.

<sup>21</sup> See Attachment A of the Public Application (Transaction Summary-Affiliate Transactions), Q&A 3 at 5.

<sup>22</sup> See Petitioners' Response to Staff DR No. 1-4(a), which is attached to Staff's action brief filed concurrently with this order.

<sup>23</sup> See *Application of Virginia Electric and Power Company and Dominion Energy Kewaunee, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Products and Services, Inc., Dominion Energy Technical Solutions, Inc., Dominion Energy Transmission, Inc., For approval of revised affiliate support service agreements and future exemptions pursuant to Va. Code § 56-76 et seq.*, Case No. PUR-2017-00111, 2017 S.C.C. Ann. Rpt. 557, Order Granting Approval (Nov. 20, 2017).

<sup>24</sup> See Petitioners' Response to Staff DR No. 1-4(c) and (d), which is attached to Staff's action brief filed concurrently with this order.

<sup>25</sup> See Petitioners' Response to Staff DR No. 1-7, which is attached to Staff's action brief filed concurrently with this order.

APPENDIX

- 1) The Commission's Affiliates Act/Utility Transfers Act approval of the Transfer Agreement shall remain effective for three years from the effective date of the order in this case. If the Transfer does not close within that period, separate approval shall be required.
- 2) DEV shall be required to file a Report of Action ("Report") within 30 days of the Transfer's closing. The Report shall include the Transfer closing date; the names of the parties to the Transfer; the actual Transfer price; and the accounting journal entries for the Transfer as it is recorded in DEV's books.
- 3) The Commission's Affiliates Act approval of the System Usage Agreement shall extend for five years from the effective date of the order in this case. If the Applicants wish to continue the System Usage Agreement beyond that date, separate approval shall be required.
- 4) DEV shall maintain records, which are available to Staff upon request, to verify that DP Holding's use of the DEV Systems complies with DEI's security protocols, and that DEV customer information is kept secure.
- 5) The Commission's Utility Transfers Act and Affiliates Act approvals shall have no accounting or ratemaking implications.
- 6) The Commission's approval shall be limited to the specific Uses and Services listed and described in the System Usage Agreement. If DEV wishes to supply additional Uses or Services not specifically identified and described in the System Usage Agreement, separate approval shall be required.
- 7) Separate Commission approval shall be required for DEV to supply Uses or Services to DP Holdings under the System Usage Agreement through the engagement of any affiliated third parties.
- 8) Separate Commission approval shall be required for any changes in the terms and conditions of the System Usage Agreement.
- 9) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 et seq. hereafter.
- 10) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by the Commission.
- 11) DEV shall be required to maintain records, available to Staff upon request, to verify that the Uses and Services it supplies under the System Usage Agreement are priced at higher of cost or market.
- 12) DEV shall file with the Commission an executed copy of the approved System Usage Agreement within sixty (60) days of the effective date of the order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").
- 13) DEV shall include all transactions associated with the approved System Usage Agreement in its Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director by May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:
  - (a) List the latest case number in which the System Usage Agreement was approved.
  - (b) List DEV, the affiliate(s), and Uses and Services provided; and
  - (c) Include schedule(s) in Excel electronic media format, with formulas intact, listing the prior year's Uses and Services provided, by month, type of service, FERC account, and dollar amount, as the transactions are recorded on DEV's books.

**CASE NO. PUR-2022-00069  
NOVEMBER 29, 2022**

APPLICATION OF  
MASSANUTTEN PUBLIC SERVICE CORPORATION

CASE NO. PUR-2021-00093

Annual Informational Filing for 2020

APPLICATION OF  
MASSANUTTEN PUBLIC SERVICE CORPORATION

CASE NO. PUR-2022-00069

Annual Informational Filing for 2021

**FINAL ORDER**

On February 1, 2022, Massanutten Public Service Corporation ("Massanutten" or "Company") filed its Annual Informational Filing ("AIF") for the test year ending December 31, 2020 ("2020 AIF").<sup>1</sup> On May 3, 2022, Massanutten filed its AIF for the test year ending December 31, 2021 ("2021 AIF").

<sup>1</sup> Massanutten originally submitted its 2020 AIF on May 7, 2021, but subsequently filed a motion requesting a stay of consideration of its 2020 AIF in light of a rate case pending at that time, which was granted by the Commission. Order Granting Motion for Stay (May 28, 2021). See also *Application of Massanutten Public Service Corporation, For an expedited increase in water and sewer rates*, Case No. PUR-2020-00039, 2021 S.C.C. Ann. Rept. 196, Final Order (Nov. 3, 2021).

On July 21, 2022, the Staff of the Commission ("Staff") filed its Report ("Staff Report") on Massanutten's 2020 and 2021 AIFs. The Staff Report states that the Company's Schedule 15 reflects regulatory assets totaling \$6,778 in its 2020 AIF, and \$37,666 in its 2021 AIF, all of which relate to COVID-19 cost deferrals.<sup>2</sup> Because the Company has a regulatory asset on the books, Staff conducted its own earnings test analysis. With respect to the 2020 AIF, Staff found that the Company's earnings test returns on equity ("ROE") were below the 9.25% authorized ROE benchmark for each of water and sewer operations. Accordingly, Staff does not recommend a write-off of the of the COVID-19 regulatory asset as part of the 2020 AIF.<sup>3</sup>

With respect to the 2021 AIF, Staff's analysis showed the Company's 2021 earnings test ROE was 16.06% for the sewer operations, which is above the 9.25% benchmark ROE. Staff recommends write-off of the full \$18,601 COVID-19 regulatory asset associated with the sewer operations.<sup>4</sup> According to Staff, after such write-off, the earned ROE is 15.56% for the sewer operations.<sup>5</sup> Based on Staff's analysis, the Company's 2021 earnings test ROE for the water operations was below 9.25% and the Staff recommends no write-off of the COVID-19 regulatory asset associated with the water operations.<sup>6</sup> Other than the write-off of the COVID-19 regulatory asset associated with the sewer operations, Staff recommends no additional action regarding rates at this time.<sup>7</sup>

On September 19, 2022, Massanutten filed a response to the Staff Report opposing Staff's recommended write-off.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Massanutten shall write off the \$18,601 COVID-19 regulatory asset associated with the sewer operations as recommended in the Staff Report. The Commission has previously explained that:

A regulatory asset is a deferral of a current period cost amortized over an extended period of time for ratemaking and booking purposes. Generally, a prudently incurred cost may be deferred and amortized only when a regulated entity incurs unusually large or nonrecurring costs that could cause the company's financial results to be materially and negatively affected if such costs were currently expensed. The Commission applies the earnings test to determine whether regulatory assets have been recovered more quickly than anticipated or whether they should continue to be deferred and amortized on a company's books.<sup>8</sup>

We agree with Staff that the Company's going-forward adjustments are not appropriate in a historical earnings test analysis and reject the Company's arguments to the contrary.<sup>9</sup> Adjustments in an earnings test are generally limited and typically made for the purpose of stating per books test year results on a regulatory basis.<sup>10</sup>

Accordingly, IT IS ORDERED THAT:

(1) Massanutten shall write off the \$18,601 COVID-19 regulatory asset as of the end of the 2021 AIF associated with the sewer operations as recommended in the Staff Report.

(2) These matters are dismissed.

<sup>2</sup> Staff Report at 5.

<sup>3</sup> *Id.* at 10.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Application of Roanoke Gas Company, For an annual informational filing*, Case No. PUE990881, 2000 S.C.C. Ann. Rept. 484, 485, Final Order (July 12, 2000).

<sup>9</sup> Staff Report at 9; Massanutten Comments at 2-3.

<sup>10</sup> *See, e.g.*, 20 VAC 5-201-95, Schedules 9, 11, 12, and 14 of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Gas and Water Utilities, 20 VAC 5-201-10 *et seq.*; 20 VAC 5-201-90, Instructions for Schedule 16: Detail of Regulatory Accounting Adjustments ("Each regulatory accounting adjustment shall be fully explained in the description column of this schedule. Regulatory accounting adjustments shall adjust from a financial accounting basis to a regulatory accounting basis. Adjustments to reflect going-forward operations shall not be included on this schedule.").



**CASE NO. PUR-2022-00070  
JUNE 15, 2022**

PETITION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to suspend a rate adjustment clause, designated Rider RGGI, under § 56-585.1 A 5 e of the Code of Virginia, and for alternate recovery mechanism of certain compliance costs

**ORDER GRANTING PETITION**

On May 5, 2022, Virginia Electric and Power Company ("DEV" or the "Company") petitioned the State Corporation Commission ("Commission") to suspend, effective July 1, 2022, its rate adjustment clause ("RAC" or "Rider"), designated Rider RGGI, that was approved in Case No. PUR-2020-00169 ("Petition"). The Rider recovers the Company's costs related to the purchase of allowances through the Regional Greenhouse Gas Initiative ("RGGI") market-based trading program for carbon dioxide emissions.

In Case No. PUR-2020-00169, the Commission approved projected allowance costs of \$167,759,000 for the period ending July 31, 2022, subject to true-up for the actual costs subsequently approved by the Commission for that period. As a result, those costs are currently being recovered through the Projected Cost Recovery Factor for Rider RGGI.

In its Petition, the Company proposes that RGGI compliance costs incurred up through July 31, 2022, which are not actually recovered prior to the suspension of the Rider, be alternatively recovered through the utility's rates for generation services (base rates) in effect during the period incurred. The Petition states that it is driven by the Commonwealth's anticipated withdrawal from the RGGI program and the interests of the Company's customers in reducing RAC-related charges.<sup>1</sup>

The Company requests that the Commission suspend Rider RGGI effective July 1, 2022, and that the Projected Cost Recovery Factor be correspondingly reset to \$0.00 per kilowatt-hour ("kWh") as of that date.<sup>2</sup> The Company states that suspension of the RAC will immediately reduce the monthly bill of a residential customer bill using 1,000 kWh per month by approximately \$2.39 per month, with greater reductions for higher energy consumers in the residential, as well as commercial and industrial classes.<sup>3</sup>

In sum, DEV has requested in its Petition that the Commission issue an Order that (i) grants authority to suspend the approved Rider RGGI effective July 1, 2022; (ii) resets the Rider RGGI rate to \$0.00/kWh; (iii) approves the Company's election to alternately recover unrecovered RGGI compliance costs through its rates for generation services, as opposed to Rider RGGI, as described in the Petition; (iv) holds this docket open for future proceedings; and (v) grants such other relief as deemed appropriate and necessary.<sup>4</sup>

On May 13, 2022, the Commission issued an Order Expediting Response and Reply that invited interested entities to file a response to DEV's Petition and DEV to file a reply. On May 19, 2022, responses were filed by Commission Staff ("Staff"), the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") and Appalachian Voices. On May 24, 2022, DEV filed its reply.

NOW THE COMMISSION, upon consideration of the Company's Petition and the responses and reply thereto, finds as follows. Staff, Consumer Counsel, and Appalachian Voices did not oppose the Company's request to suspend Rider RGGI. The Commission finds Rider RGGI shall be suspended, and the Rider RGGI Projected Cost Recovery Factor shall be reset to \$0.00/kWh, effective July 1, 2022.

With respect to the projected approximately \$178 million in accrued but unrecovered RGGI compliance costs as of July 31, 2022, DEV requested the Commission approve the Company's election to alternately recover unrecovered RGGI compliance costs through its rates for generation services, as opposed to Rider RGGI, as described in the Petition.<sup>5</sup> DEV acknowledges that the prudence of any such costs recovered through base rates may be subject to further Commission review in the Company's 2024 triennial review proceeding, just as any other element of the cost of service.<sup>6</sup> We approve DEV's request to recover pre-July 31, 2022 RGGI costs through both Rider RGGI and base rates (subject to further review in the Rider RGGI actual cost true-up as referenced in Ordering Paragraph (5), and in the Company's 2024 triennial review proceeding). Finally, the Commission finds that Consumer Counsel and Appalachian Voices' recommendations related to RGGI costs incurred after July 31, 2022, and financing costs associated therewith,<sup>7</sup> are beyond the scope of the instant proceeding and decline to adopt them at this time.

Accordingly, IT IS ORDERED THAT:

<sup>1</sup> Petition at 1, 2.

<sup>2</sup> Because the Commission has yet to approve actual allowance costs for this period under Rider RGGI, the Actual Cost True-Up Factor is currently set at \$0.00/kWh.

<sup>3</sup> *Id.* at 6, 7.

<sup>4</sup> *Id.* at 8.

<sup>5</sup> DEV clarified in its reply that it is proposing immediate recognition and recovery of these costs over the periods that they were actually incurred in 2021 and 2022 and "[t]he costs would be expensed against base revenues in 2021 and 2022, and thus treated as fully recovered by July 1, 2022." DEV Reply at 2. Accordingly, DEV asserts there would be no financing costs associated with these compliance costs. *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> Consumer Counsel Response at 2; Appalachian Voices Response at 6.

- (1) The Petition is granted as set forth herein.
- (2) Rider RGGI is suspended and reset to \$0.00/kWh, effective July 1, 2022.
- (3) RGGI compliance costs that are incurred up through July 31, 2022 (and ultimately approved by the Commission), and which have not been recovered prior to the suspension of the Rider, may be recovered through the utility's base rates for generation services in effect during the period incurred.
- (4) DEV forthwith shall file revised tariffs with the Clerk of the Commission and with the Commission's Division of Public Utility Regulation and Utility Accounting and Finance, consistent with this Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia/pages/Case-Information](http://scc.virginia/pages/Case-Information).
- (5) This docket shall remain open for future proceedings, including but not limited to the actual cost true-up proceeding to review incurred allowance costs (currently estimated to be approximately \$82 million) that have been recovered through Rider RGGI, as required in the Order Approving Rate Adjustment Clause issued in Case No. PUR-2020-00169.
- (6) This matter is continued.

**CASE NO. PUR-2022-00072  
JUNE 30, 2022**

APPLICATION OF  
RAPPAHANNOCK ELECTRIC COOPERATIVE

For Approval of RESP V50 Loan Package

**ORDER GRANTING AUTHORITY**

On May 13, 2022, Rappahannock Electric Cooperative (the "Cooperative") completed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia<sup>1</sup> for approval of a loan. The Cooperative has paid the requisite filing fee of \$250.

The Cooperative is seeking authority to issue long-term debt in connection with the Rural Energy Savings Program ("RESP") under a loan from the Rural Utilities Services ("RUS") in the amount of \$8,320,000 ("RESP Loan"). The Cooperative states the purpose of the loan is so it can make energy efficiency loans to qualified consumers to implement durable cost-effective energy efficiency measures and that borrowings under the RESP Loan may be drawn for a period of 15 years, with a 10-year term for each advance. The interest rates on RESP Loan borrowings will 0%.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

- (1) The Cooperative is authorized to enter into the RESP Loan subject to certain conditions outlined in the Appendix attached to this Order.
- (2) This case is dismissed.

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<sup>1</sup> Code § 56-55 *et seq.*

**APPENDIX A**

- (1) The Cooperative shall be authorized to borrow up to \$8,320,000 from the RUS.
- (2) The Commission's approval shall have no accounting or ratemaking implications.
- (3) The Cooperative shall submit a Report of Action within thirty (30) days of the date of any RESP Loan borrowings to the Director of the Division of Utility Accounting and Finance, subject to administrative extension. Any report shall include the amount borrowed and the associated interest rate.
- (4) The Cooperative shall submit an annual report to the Director of the Division of Utility Accounting and Finance, subject to administrative extension by March 1 of each year following any RESP loans to Cooperative members, which includes the interest rate on RESP loans to Cooperative members, the cumulative amount of such RESP loan interest booked for the year with the corresponding account number, and the cumulative amount of RESP administrative costs booked for the year with the corresponding account number.

**CASE NO. PUR-2022-00075  
AUGUST 12, 2022**

PETITION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For an exception to the PJM GATS Business Rules for the Scott Solar Facility and BESS-3

**ORDER GRANTING EXCEPTION TO GATS BUSINESS RULES**

On May 11, 2022, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Company") filed a Petition ("Petition") with the State Corporation Commission ("Commission") seeking an exception to the Commission's Revised Business Rules for Issuing VA-Approved Renewable Energy Certificates ("RECs") pursuant to the 2020 Virginia Clean Economy Act ("VCEA") ("Business Rules") established in Case No. PUR-2021-00064,<sup>1</sup> as the Business Rules relate to the creation of RECs from the Company's Scott Solar Facility.

The VCEA sets forth the standards for eligible RECs and directs that verification of RECs should be consistent with the PJM-EIS<sup>2</sup> Generation Attribution Tracking System ("GATS").<sup>3</sup> GATS provides a mechanism to certify, buy, and sell RECs.

In Case No. PUR-2021-00064, the Commission revised its Business Rules as directed by the VCEA but did not adopt a rule addressing renewable energy resources paired with storage resources, finding that this issue was outside the limited scope of the proceeding.<sup>4</sup> Business Rule 3 provides for a mechanism to address such technological developments on a case-by-case exception basis, providing in part that:

Further market, technology or regulatory developments in Virginia not currently addressed by these Business Rules may be applied on an exception basis by GATS as directed by the VA SCC or presented to the Commission for consideration in further revision of these Business Rules.<sup>5</sup>

In Case No. PUR-2019-00124, the Commission approved the Company's proposal to establish a battery storage pilot program and deploy three battery energy storage systems ("BESS").<sup>6</sup> The Petition states that the Company is constructing BESS-3, a lithium-ion BESS consisting of a 2 megawatt ("MW") / 8 megawatt-hours ("MWh") direct current ("DC")-coupled system and a 10 MW / 40 MWh alternating current ("AC")-coupled system at its Scott Solar Facility to "study solar plus storage facilities to improve the integration of renewable resources and reduce the need for additional generation during times of peak demand."<sup>7</sup>

According to the Company, within PJM, renewable energy resources paired with storage resources can participate as front of the meter hybrid resources, front of the meter co-located resources, or behind the meter resources.<sup>8</sup> The Company plans to operate Scott Solar and BESS-3 initially as a behind the meter resource, but transition to a front of the meter hybrid resource.<sup>9</sup> The Petition states that under the current Business Rules, once BESS-3 begins operations, the RECs from Scott Solar will no longer be created by the amount of energy generated by Scott Solar but instead will be a combination of energy produced by the solar facility as well as the discharged energy from BESS-3.<sup>10</sup>

In its Petition, the Company seeks an exception to the Business Rules for the Scott Solar/BESS-3 facility and asks that the Commission direct GATS to count the RECs based on the amount of energy that enters the BESS-3 system as charging energy, rather than the amount of energy discharged by BESS-3 onto the grid. According to the Company, "RECs from renewable energy resources should be created based on the energy that they actually produce, even when paired with storage resources. This will ensure that renewable energy-only resources and renewable energy resources paired with storage are able to create RECs on an equitable basis."<sup>11</sup>

<sup>1</sup> *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the matter of registering and retiring Virginia-eligible renewable energy certificates*, Doc. Con. Cen. No. 210950058, Case No. PUR-2021-00064, Order Revising Business Rules (Sept. 30, 2021) ("Order Revising Business Rules").

<sup>2</sup> PJM Environmental Information Services, Inc., is a subsidiary of PJM Interconnection, LLC ("PJM"), a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia.

<sup>3</sup> Code § 56-585.5 C.

<sup>4</sup> Order Revising Business Rules at 12.

<sup>5</sup> *Id.* Attachment A at A-2, A-3.

<sup>6</sup> *Application of Virginia Electric and Power Company, To participate in the pilot program for electric power storage batteries pursuant to § 56-585.1:6 of the Code of Virginia, and for certification of a proposed battery energy storage system pursuant to § 56-580 D of the Code of Virginia*, 2020 S.C.C. Ann. Rept. 304, Case No. PUR-2019-00124, Final Order (Feb. 14, 2020).

<sup>7</sup> Petition at 4.

<sup>8</sup> *Id.* at 5.

<sup>9</sup> *Id.* at 5-6.

<sup>10</sup> *Id.* at 6.

<sup>11</sup> *Id.*

The Company requests an order within 90 days "to ensure the Company can appropriately quantify the RECs generated from the Scott Solar / BESS-3 facility for its annual RPS Program compliance obligations."<sup>12</sup>

On May 27, 2022, the Commission issued an Order for Comment that docketed this proceeding and provided interested persons and the Staff of the Commission ("Staff") an opportunity to comment on the Company's request for an exception to the Business Rules or to request a hearing on the Petition. Such comments or requests for hearing were to be filed with the Commission by July 1, 2022; the Company was permitted to file a response to any requests for hearing and any comments filed by interested persons in this proceeding by July 15, 2022. No comments or requests for hearing were filed by any interested party or the Staff; consequently, no response was filed by the Company.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company's Petition herein should be granted for purposes of quantifying the RECs generated from the Scott Solar/BESS-3 facility as follows. Consistent with our previous determinations,<sup>13</sup> we find it reasonable to address this issue on an exception basis at this time. The exception granted herein is subject to modification in the future. Developments in battery technology and the pairing of battery storage with renewable generation will no doubt continue. Consequently, as experience is gained with regard to these facilities, the Commission may take additional actions including, but not limited to, further revisions to the GATS Business Rules, which may impact the exception granted herein.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Petition is granted as provided herein.

(2) GATS is hereby directed to count the RECs based on the amount of energy that enters the BESS-3 system as charging energy for both the AC and DC systems that comprise the BESS-3 facility, even after BESS-3 enters commercial operations.

(3) This matter is dismissed.

<sup>12</sup> *Id.*

<sup>13</sup> Order Revising Business Rules at 12.

**CASE NO. PUR-2022-00078  
JUNE 15, 2022**

APPLICATION OF  
MECKLENBURG ELECTRIC COOPERATIVE

For approval of loan

**ORDER GRANTING AUTHORITY**

On May 12, 2022, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> for approval of a loan. On June 1, 2022, MEC paid the requisite filing fee of \$250 to complete the Application.

MEC is seeking authority to borrow up to \$37,000,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC") in the form of a secured promissory note ("Note"). Advances on the note will be for a term not to exceed 30 years, and the interest rate will be selected as a fixed or variable rate at the time of each advance. Proceeds from the Note will be used by the Cooperative to further expand fiber-optic broadband infrastructure in MEC's service territory. Specifically, MEC plans to build approximately 1,097 miles of aerial and underground distribution optical fiber to provide Fiber to the Home ("FTTH") service to approximately 7,433 members in portions of Mecklenburg, Halifax, Brunswick, and southern Charlotte counties ("Counties"). In addition to providing broadband access to members, the FTTH will also support the use of advanced electric metering technology.

As detailed in the Application, the Note will fund MEC's service territory portion of a regional \$166 million project to expand FTTH in Southside Virginia ("Southside Project"). In addition, the Southside Project will include \$69 million of grant funding, \$38 million of support from Virginia Electric and Power Company d/b/a Dominion Energy Virginia, and \$8.6 million of support from the Counties. The Southside Project will also include \$37 million of FTTH expansion from Empower Broadband ("BROADBAND") and \$525,000 of FTTH expansion from Empower Telecom ("TELECOM"), both MEC affiliates. Authority for MEC to guarantee the Southside Project debt of BROADBAND was recently granted in Case No. PUR-2022-00079, and similar authority for MEC to guarantee the Southside Project debt of TELECOM was recently granted in Case No. PUR-2022-00080.<sup>2</sup> The Commission Staff's ("Staff") analysis of the authority requested for the Note in this case also considered the companion authorities requested for MEC to guarantee the Southside Project debt of Broadband and Telecom.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff through its action brief, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

<sup>1</sup> Va. Code. § 56-55 *et seq.*

<sup>2</sup> *Applications of Mecklenburg Electric Cooperative, For authority to guarantee long-term indebtedness of affiliate*, Case Nos. PUR-2022-00079 and PUR-2022-00080, Doc. Con. Cen. No. 220620061, Order Granting Authority (June 9, 2022).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(1) MEC is authorized to borrow up to \$37,000,000 from CFC, in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of the date of any advance of funds from CFC, MEC shall submit a physical and electronic Report of Action to the Director of the Commission's Division of Utility Accounting and Finance, which shall include the amount of the advance and the associated interest rate.

(3) The authority granted herein shall have no accounting or ratemaking implications.

(4) This case is dismissed.

**CASE NO. PUR-2022-00079  
JUNE 9, 2022**

APPLICATION OF  
MECKLENBURG ELECTRIC COOPERATIVE

CASE NO. PUR-2022-00079

For authority to guarantee long-term indebtedness of affiliate

APPLICATION OF  
MECKLENBURG ELECTRIC COOPERATIVE

CASE NO. PUR-2022-00080

For authority to guarantee long-term indebtedness of affiliate

**ORDER GRANTING APPROVAL**

On May 24, 2022, and June 1, 2022, Mecklenburg Electric Cooperative ("MEC" or "Applicant") completed the filing of two applications ("Application(s)") with the State Corporation Commission ("Commission") requesting approval, pursuant to Chapters 3<sup>1</sup> and 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code"), of guaranty agreements (individually "Guaranty" or collectively "Guaranties") of long-term indebtedness ("LTD") of affiliates ("Affiliate(s)").

In Case No. PUR-2022-00079,<sup>3</sup> MEC seeks approval to guarantee \$13.6 million of LTD borrowed by EMPOWER Broadband, Inc. ("BROADBAND"),<sup>4</sup> from the National Cooperative Services Corporation ("NCSC") to finance BROADBAND's expansion of universal fiber-to-the-home ("FTTH") service to unserved and underserved customers in Southside Virginia.

In Case No. PUR-2022-00080,<sup>5</sup> MEC seeks approval to guarantee \$525,000 of LTD borrowed by EMPOWER Telecom, Inc. ("TELECOM"),<sup>6</sup> from the NCSC to finance TELECOM'S expansion of FTTH service to unserved and underserved customers in its Buggs Island service territory.

The Guaranties are part of a \$166 million project that the Southside Planning District Commission, MEC, BROADBAND, TELECOM, Dominion Energy Virginia ("DEV"), and the Counties of Mecklenburg, Halifax, Brunswick, and Charlotte ("Counties") (individually "Party" or collectively "Parties") are participating in to expand FTTH service in Southside Virginia ("Southside Project"). The Southside Project will pass approximately 21,493 premises and serve an estimated 9,416 customers. Approximately 1,973 miles of aerial and underground distribution fiber will be built. The Southside Project will be financed by \$69 million in grant funds from the Virginia Department of Housing and Community Development's Virginia Telecommunications Initiative, \$38 million of infrastructure spending by DEV, \$8.6 million of support from the Counties, \$37 million of LTD from MEC, \$13.6 million of LTD from BROADBAND, and \$525,000 of LTD from TELECOM.

<sup>1</sup> Code § 56-55 *et seq.*

<sup>2</sup> Code § 56-76 *et seq.*

<sup>3</sup> See *Application of Mecklenburg Electric Cooperative, For authority to guarantee long-term indebtedness of affiliate*, Case No. PUR-2022-00079, Doc. Con. Ctr. No. 220530135, initial application filed May 12, 2022, amended application filed May 23, 2022, \$250 fee received May 24, 2022.

<sup>4</sup> BROADBAND is a wholly owned subsidiary of MEC that provides unregulated fiber-to-the-home service to customers in Southside Virginia.

<sup>5</sup> See *Application of Mecklenburg Electric Cooperative, For authority to guarantee long-term indebtedness of affiliate*, Case No. PUR-2022-00080, Doc. Con. Ctr. No. 220530136, initial application filed May 12, 2022, amended application filed May 23, 2022, \$250 fee received June 1, 2022.

<sup>6</sup> TELECOM is a wholly owned incumbent local exchange carrier subsidiary of MEC that provides regulated telephone and unregulated FTTH service to customers on and around Buggs Island in Southside Virginia.

In the Applications and in response to Commission Staff ("Staff") discovery, MEC discussed the inadequacies of internet service in the Counties and the educational opportunities, improved health care, and economic development opportunities that the Southside Project offers.<sup>7</sup> The Applicant also provided a map showing the Counties that the Southside Project will serve.<sup>8</sup> MEC described the ownership and operating structures for the existing and the proposed fiber backbone and FTTH.<sup>9</sup> The Applicant described each Party's role in the Southside Project, and the specific purpose and use of each loan.<sup>10</sup> MEC provided the accounting entries for all transactions that MEC, BROADBAND, and TELECOM will record for the Southside Project.<sup>11</sup> Finally, the Applicant provided pro forma statements showing that MEC should generate sufficient margins to cover its Affiliates' debt payments and comply with the NCSC Guaranty covenants should MEC be required to assume the Affiliates' debt payments under the proposed Guaranties.<sup>12</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed Guaranties are not detrimental to the public interest and are approved, subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

- (1) The Applicant is granted approval of the Guaranties subject to the requirements listed in the Appendix attached to this Order.
- (2) This case is dismissed.

<sup>7</sup> See DR Response 1-3, attached to Staff's action brief filed concurrently with this order.

<sup>8</sup> See *id.*

<sup>9</sup> See DR Responses 1-1 and 1-2, attached to Staff's action brief filed concurrently with this order.

<sup>10</sup> See DR Responses 1-4, 1-5, and 1-6, attached to Staff's action brief filed concurrently with this order.

<sup>11</sup> See DR Response 1-8, attached to Staff's action brief filed concurrently with this order.

<sup>12</sup> See *id.*

#### APPENDIX

- 1) MEC is approved to enter into the Guaranties as described herein.
- 2) Separate Commission approval shall be required for any changes in the terms and conditions of the approved Guaranties.
- 3) All costs associated with the approved BROADBAND Guaranty, inclusive of attorney and filing fees, shall be charged to BROADBAND. The dates, accounts, and amounts of such transactions, as they are recorded in the books of MEC and BROADBAND, shall be reported in MEC's Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director.
- 4) MEC shall provide notice to the UAF Director within 30 days of any payments made by MEC on behalf of BROADBAND under the BROADBAND Guaranty.
- 5) All costs associated with the approved TELECOM Guaranty, inclusive of attorney and filing fees, shall be charged to TELECOM. The dates, accounts, and amounts of such transactions, as they are recorded in the books of MEC and TELECOM, shall be reported in MEC's ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director.
- 6) MEC shall provide notice to the UAF Director within 30 days of any payments made by MEC on behalf of TELECOM under the TELECOM Guaranty.
- 7) The Commission's approval shall have no accounting or ratemaking implications.
- 8) The approval granted herein shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.
- 9) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by the Commission.
- 10) MEC shall file with the Commission a signed and executed copy of the approved Guaranty Agreements within sixty (60) days of the effective date of the order in these cases, subject to administrative extension by the UAF Director.
- 11) MEC shall report and update all cumulative, outstanding obligations incurred by MEC on behalf of BROADBAND and/or TELECOM in MEC's ARAT. Such report shall indicate the Affiliate, the purpose and amount of each respective obligation, and when it is scheduled to end.

**CASE NO. PUR-2022-00080  
JUNE 9, 2022**

APPLICATION OF  
MECKLENBURG ELECTRIC COOPERATIVE

CASE NO. PUR-2022-00079

For authority to guarantee long-term indebtedness of affiliate

APPLICATION OF  
MECKLENBURG ELECTRIC COOPERATIVE

CASE NO. PUR-2022-00080

For authority to guarantee long-term indebtedness of affiliate

**ORDER GRANTING APPROVAL**

On May 24, 2022, and June 1, 2022, Mecklenburg Electric Cooperative ("MEC" or "Applicant") completed the filing of two applications ("Application(s)") with the State Corporation Commission ("Commission") requesting approval, pursuant to Chapters 3<sup>1</sup> and 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code"), of guaranty agreements (individually "Guaranty" or collectively "Guaranties") of long-term indebtedness ("LTD") of affiliates ("Affiliate(s)").

In Case No. PUR-2022-00079,<sup>3</sup> MEC seeks approval to guarantee \$13.6 million of LTD borrowed by EMPOWER Broadband, Inc. ("BROADBAND"),<sup>4</sup> from the National Cooperative Services Corporation ("NCSC") to finance BROADBAND's expansion of universal fiber-to-the-home ("FTTH") service to unserved and underserved customers in Southside Virginia.

In Case No. PUR-2022-00080,<sup>5</sup> MEC seeks approval to guarantee \$525,000 of LTD borrowed by EMPOWER Telecom, Inc. ("TELECOM"),<sup>6</sup> from the NCSC to finance TELECOM'S expansion of FTTH service to unserved and underserved customers in its Buggs Island service territory.

The Guaranties are part of a \$166 million project that the Southside Planning District Commission, MEC, BROADBAND, TELECOM, Dominion Energy Virginia ("DEV"), and the Counties of Mecklenburg, Halifax, Brunswick, and Charlotte ("Counties") (individually "Party" or collectively "Parties") are participating in to expand FTTH service in Southside Virginia ("Southside Project"). The Southside Project will pass approximately 21,493 premises and serve an estimated 9,416 customers. Approximately 1,973 miles of aerial and underground distribution fiber will be built. The Southside Project will be financed by \$69 million in grant funds from the Virginia Department of Housing and Community Development's Virginia Telecommunications Initiative, \$38 million of infrastructure spending by DEV, \$8.6 million of support from the Counties, \$37 million of LTD from MEC, \$13.6 million of LTD from BROADBAND, and \$525,000 of LTD from TELECOM.

In the Applications and in response to Commission Staff ("Staff") discovery, MEC discussed the inadequacies of internet service in the Counties and the educational opportunities, improved health care, and economic development opportunities that the Southside Project offers.<sup>7</sup> The Applicant also provided a map showing the Counties that the Southside Project will serve.<sup>8</sup> MEC described the ownership and operating structures for the existing and the proposed fiber backbone and FTTH.<sup>9</sup> The Applicant described each Party's role in the Southside Project, and the specific purpose and use of each loan.<sup>10</sup> MEC provided the accounting entries for all transactions that MEC, BROADBAND, and TELECOM will record for the Southside Project.<sup>11</sup> Finally, the Applicant provided pro forma statements showing that MEC should generate sufficient margins to cover its Affiliates' debt payments and comply with the NCSC Guaranty covenants should MEC be required to assume the Affiliates' debt payments under the proposed Guaranties.<sup>12</sup>

<sup>1</sup> Code § 56-55 *et seq.*

<sup>2</sup> Code § 56-76 *et seq.*

<sup>3</sup> See *Application of Mecklenburg Electric Cooperative, For authority to guarantee long-term indebtedness of affiliate*, Case No. PUR-2022-00079, Doc. Con. Ctr. No. 220530135, initial application filed May 12, 2022, amended application filed May 23, 2022, \$250 fee received May 24, 2022.

<sup>4</sup> BROADBAND is a wholly owned subsidiary of MEC that provides unregulated fiber-to-the-home service to customers in Southside Virginia.

<sup>5</sup> See *Application of Mecklenburg Electric Cooperative, For authority to guarantee long-term indebtedness of affiliate*, Case No. PUR-2022-00080, Doc. Con. Ctr. No. 220530136, initial application filed May 12, 2022, amended application filed May 23, 2022, \$250 fee received June 1, 2022.

<sup>6</sup> TELECOM is a wholly owned incumbent local exchange carrier subsidiary of MEC that provides regulated telephone and unregulated FTTH service to customers on and around Buggs Island in Southside Virginia.

<sup>7</sup> See DR Response 1-3, attached to Staff's action brief filed concurrently with this order.

<sup>8</sup> See *id.*

<sup>9</sup> See DR Responses 1-1 and 1-2, attached to Staff's action brief filed concurrently with this order.

<sup>10</sup> See DR Responses 1-4, 1-5, and 1-6, attached to Staff's action brief filed concurrently with this order.

<sup>11</sup> See DR Response 1-8, attached to Staff's action brief filed concurrently with this order.

<sup>12</sup> See *id.*

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed Guaranties are not detrimental to the public interest and are approved, subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

- (1) The Applicant is granted approval of the Guaranties subject to the requirements listed in the Appendix attached to this Order.
- (2) This case is dismissed.

## APPENDIX

- 1) MEC is approved to enter into the Guaranties as described herein.
- 2) Separate Commission approval shall be required for any changes in the terms and conditions of the approved Guaranties.
- 3) All costs associated with the approved BROADBAND Guaranty, inclusive of attorney and filing fees, shall be charged to BROADBAND. The dates, accounts, and amounts of such transactions, as they are recorded in the books of MEC and BROADBAND, shall be reported in MEC's Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director.
- 4) MEC shall provide notice to the UAF Director within 30 days of any payments made by MEC on behalf of BROADBAND under the BROADBAND Guaranty.
- 5) All costs associated with the approved TELECOM Guaranty, inclusive of attorney and filing fees, shall be charged to TELECOM. The dates, accounts, and amounts of such transactions, as they are recorded in the books of MEC and TELECOM, shall be reported in MEC's ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director.
- 6) MEC shall provide notice to the UAF Director within 30 days of any payments made by MEC on behalf of TELECOM under the TELECOM Guaranty.
- 7) The Commission's approval shall have no accounting or ratemaking implications.
- 8) The approval granted herein shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.
- 9) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by the Commission.
- 10) MEC shall file with the Commission a signed and executed copy of the approved Guaranty Agreements within sixty (60) days of the effective date of the order in these cases, subject to administrative extension by the UAF Director.
- 11) MEC shall report and update all cumulative, outstanding obligations incurred by MEC on behalf of BROADBAND and/or TELECOM in MEC's ARAT. Such report shall indicate the Affiliate, the purpose and amount of each respective obligation, and when it is scheduled to end.

**CASE NO. PUR-2022-00081  
MAY 31, 2022**

APPLICATION OF  
RAPPAHANNOCK ELECTRIC COOPERATIVE

For extension of the Peak Time Rebate Pilot Program

**ORDER**

In its Final Order in Case No. PUR-2019-00217, the State Corporation Commission ("Commission") approved a request by Rappahannock Electric Cooperative ("REC" or "Cooperative") for approval of a voluntary two-year peak time rebate pilot program ("Pilot Program").<sup>1</sup> On May 17, 2022, REC filed an application in the present docket for a one-year extension of the Pilot Program ("Application").<sup>2</sup> The Cooperative further requested expedited consideration and approval of its Application.<sup>3</sup>

<sup>1</sup> See *Application of Rappahannock Electric Cooperative, For approval of a peak time rebate pilot program*, Case No. PUR-2019-00217, 2020 S.C.C. Ann. Rept. 397, Final Order (Mar. 13, 2020).

<sup>2</sup> Application at 1.

<sup>3</sup> *Id.*



According to REC, the Pilot Program is designed to reduce demand through economic incentives that encourage customer behavioral changes.<sup>4</sup> REC states that the Pilot Program has reduced its capacity obligations as determined by the five coincident peak hours within PJM Interconnection, L.L.C. ("PJM 5-CP Hours"), resulting in a reduction of the Cooperative's wholesale power costs.<sup>5</sup> Through extension of the Pilot Program, the Cooperative seeks to incent load reduction during potential PJM 5-CP Hours during the 2022 summer cooling season that begins on June 1, 2022, and ends on September 30, 2022, by: (i) notifying Pilot Program participants in advance of potential peak periods; (ii) requesting that participants reduce energy consumption during designated hours in the potential peak periods ("Peak Events"); and (iii) rewarding those participants who do so by way of billing credits for each kilowatt-hour ("kWh") of reduction during Peak Events.<sup>6</sup> REC is proposing to use a credit of \$0.75 per kWh for the extended third year of the Pilot Program.<sup>7</sup> The Cooperative asserts that participants will never be required to curtail usage and will not be penalized if they choose not to curtail usage.<sup>8</sup>

REC states it will determine a participant's energy reduction during a specific Peak Event by comparing the amount of electricity used by the participant during the Peak Event to the amount of electricity the participant normally would use during those hours of the day ("Baseline").<sup>9</sup> The Cooperative asserts that it will calculate the participant's Baseline by using their typical energy consumption during the same hours of the previous ten days, excluding weekends, holidays, and days on which other Peak Events occurred.<sup>10</sup>

To participate in the third year of the Pilot Program, a customer must: (i) be a resident in a single-family home, multi-family home, apartment, or manufactured home; (ii) be served by Schedule A-1 (Residential and Church Service); (iii) be enrolled as a MyRECSmartHub user; (iv) be able to receive short message service (SMS) texts, emails, or push notifications from REC or MyRECSmartHub via smartphone or computer; and (v) not be a participant in REC's Smart Response A/C Switch Program or Wi-Fi Thermostat Pilot Program.<sup>11</sup> REC states that participation by eligible customers is voluntary, there are no fees to enroll or participate, and participants may elect to withdraw from the Pilot Program at any time without penalty.<sup>12</sup>

REC asserts that there is a minor modification concerning the notification of Peak Events in the third year of the Pilot Program.<sup>13</sup> In years one and two of the Pilot Program, the Cooperative provided notification of a Peak Event to participants on the day prior to the event. In the third year, REC proposes to provide notification to participants on the day of the Peak Event.<sup>14</sup> According to REC, the purpose of this change is to help the Cooperative identify the notification periods that result in the greatest participation.<sup>15</sup>

REC claims the Pilot Program was fully subscribed in year two of the program, and it intends to solicit former active participants to enroll in the third year of the program.<sup>16</sup> To educate and inform potential participants, the Cooperative states it will provide them with information that includes a complete description of how the Pilot Program will function, how credits will be measured and applied to a participant's bill, and which months the Pilot Program will be utilized.<sup>17</sup>

REC states that its experience with, and evaluation of, the Pilot Program will provide valuable information to assess the effectiveness of the pilot, determine whether it might be appropriate to offer a peak time rebate program going forward, and, if so, whether there should be any modifications.<sup>18</sup> The Cooperative further proposes to submit to Commission Staff ("Staff") an annual report that provides the same information that REC provided for years one and two of the Pilot Program.<sup>19</sup>

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<sup>4</sup> *Id.* at 3.

<sup>5</sup> *Id.* at 2, 5.

<sup>6</sup> *Id.* at 2-3. REC states that the bill credit will be on the same bill as the Peak Event with which the credit is associated, which would typically be the following month's bill. Further, the number of credits a participant receives would be tied to the amount of energy the participant reduces during identified Peak Events. *Id.* at 4.

<sup>7</sup> *Id.* at 5.

<sup>8</sup> *Id.* at 4.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 4-5.

<sup>11</sup> *Id.* at 7-8.

<sup>12</sup> *Id.* at 7.

<sup>13</sup> *Id.* at 10.

<sup>14</sup> *Id.* REC states that for typical Peak Events occurring weekdays at or after 2 p.m., it proposes to provide participants with notifications no later than 12 p.m. on the day of the event. For non-typical Peak Events that occur prior to 2 p.m., the Cooperative proposes to provide participants with at least two hours' notice. *Id.* at 10-11.

<sup>15</sup> *Id.* at 11.

<sup>16</sup> *Id.* at 7.

<sup>17</sup> *Id.* at 8.

<sup>18</sup> *Id.* at 9-10.

<sup>19</sup> *Id.* at 10.

NOW THE COMMISSION, having been informed by its Staff that Staff does not oppose extension of the Pilot Program as set forth in the Application, including the limited modifications proposed thereto, finds that the Application should be granted. We further find that, as part of the information REC provides to potential participants to educate and inform them about the Pilot Program, the Cooperative should specifically identify the proposed modification to the notification of Peak Events. Additionally, as part of the annual report that REC provides to Staff, the Cooperative should describe in detail what effects, if any, the modification to the notification of Peak Events had on the participation in, and results of, the Pilot Program. Finally, any further requested extensions to the Pilot Program shall be filed a minimum of three (3) months prior to the date by which approval is requested.

Accordingly, IT IS ORDERED THAT:

- (1) The Pilot Program is approved as set forth herein.
- (2) The Pilot Program extension is approved effective June 1, 2022.
- (3) The Cooperative forthwith shall file a revised Schedule PTR and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).
- (4) This case is dismissed.

**CASE NO. PUR-2022-00082  
OCTOBER 7, 2022**

APPLICATION OF  
ACN COMMUNICATION SERVICES, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

**FINAL ORDER**

On June 2, 2022, ACN Communication Services, LLC ("ACN" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("Certificates") to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

On June 9, 2022, the Commission issued an Order for Notice and Comment that, among other things, directed ACN to provide notice to the public of its Application; provided interested persons an opportunity to comment and request a hearing on the Company's Application; and directed the Staff of the Commission ("Staff") to investigate the Application and file a report ("Staff Report"). On July 19, 2022, the Commission issued an Order Modifying Procedural Schedule ("Revised Procedural Order") granting ACN's request for additional time to provide the required notice and a commensurate extension of filing deadlines in place for this proceeding.

On August 5, 2022, the Company filed proof of notice and proof of service in accordance with the Revised Procedural Order. No comments or requests for hearing on the Company's Application were filed.

On September 7, 2022, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers, 20 VAC 5-417-10 *et seq.* ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-411-10 *et seq.* ("Interexchange Rules"). Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to ACN subject to the following condition: ACN should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation by the Issuer or lapse of its bond and should provide a replacement bond at that time. Staff recommended that this requirement be maintained until the Commission determines it no longer necessary. No response to the Staff Report was filed by ACN.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds it should grant Certificates to ACN. Having considered Code § 56-481.1, the Commission finds that ACN may price its interexchange services competitively. Further, the Commission finds that the Company's Motion is moot; therefore, the Motion should be denied.<sup>1</sup>

Accordingly, IT IS ORDERED THAT:

- (1) ACN is hereby granted Certificate No. T-798 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.
- (2) ACN is hereby granted Certificate No. TT-322A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.
- (3) Pursuant to Code § 56-481.1, ACN may price its interexchange telecommunications services competitively.

<sup>1</sup> The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If ACN elects to provide retail services on non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) ACN shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(6) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(7) This case is dismissed.

**CASE NO. PUR-2022-00083  
NOVEMBER 16, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

*Ex Parte:* In the matter of the Commission's investigation into exhaust relief for the 804 area code

**ORDER ON AREA CODE RELIEF**

On May 18, 2022, the North American Numbering Plan Administrator ("NANPA"), as the neutral third-party numbering plan area ("NPA," (also referred to as "area code")) relief planner for the Commonwealth of Virginia and on behalf of Virginia's telecommunications industry ("Industry"),<sup>1</sup> filed an application requesting that the State Corporation Commission ("Commission")<sup>2</sup> approve an all-services distributed overlay of a new area code as the form of exhaust relief for the 804 area code.<sup>3</sup> On June 16, 2022, NANPA filed a revised application ("Application") correcting a typographical error in the May 18, 2022 filing and replacing the application previously filed.

In support of the Application, NANPA stated that absent NPA relief, the supply of available telephone numbers in the 804 area code will be exhausted during the third quarter of 2024.<sup>4</sup> Further, NANPA stated that an all-services distributed overlay would superimpose a new NPA over the same geographic area covered by the existing 804 NPA, and that an overlay is the appropriate form of relief since the 804 area code was already transitioning to mandatory 10-digit local dialing due to national implementation of 988 as an abbreviated dialing code to reach the National Suicide Prevention Lifeline.<sup>5</sup> Further, NANPA noted that a prior Commission proceeding approved an overlay of the current 804 area code, but due to changes in the method of area code pooling and distribution, a new area code did not become necessary until this time.<sup>6</sup>

According to NANPA, the relief provided by any overlay approach will last approximately 32 years.<sup>7</sup> Under this approach, all existing customers would retain the 804 area code and would not have to change their telephone numbers.<sup>8</sup>

<sup>1</sup> The Industry is described as current and prospective telecommunications carriers operating in, or considering operations within, the 804 area code. Application at 1.

<sup>2</sup> According to the Application, the Federal Communications Commission delegated authority to the states to review and approve NPA relief plans. Application at 1 (citing 47 C.F.R. § 52.19).

<sup>3</sup> Application at 1.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 1, 3-5.

<sup>6</sup> *Id.* at 2 (citing *State Corporation Commission, Ex Parte: In re: Investigation of area code relief for the 804 Numbering Plan Area*, Case No. PUC-1999-00159, 2000 S.C.C. Ann. Rept. 274, Order on Area Code Relief (Dec. 1, 2000)).

<sup>7</sup> Application at 5.

<sup>8</sup> *Id.*

In the Application, NANPA describes the Industry's consensus recommendation to implement the new relief NPA in accordance with a nine-month schedule to be completed 6 months prior to the forecasted exhaust date if approved by the Commission.<sup>9</sup> The Industry's implementation plan includes steps necessary for network preparation and customer education in advance of the availability of the new area code.<sup>10</sup> According to the proposed implementation plan, new area codes will not be assigned until all available 804 area codes are exhausted.<sup>11</sup> Finally, as reflected in the Application, the Industry requested that the Commission forego in-person meetings and hearings in favor of written comments and reply comments on the relief plan for the 804 area code.<sup>12</sup>

On July 7, 2022, the Commission issued an Order for Notice and Comment which, in part, invited public comments on the Application; permitted interested persons an opportunity to request a hearing on the Application; and directed the Staff of the Commission ("Staff"), in consultation with NANPA, to conduct an investigation into the reasonableness of the proposed area code relief plan and present its findings and recommendations in a report ("Staff Report").

Comments were filed by 11 separate individuals<sup>13</sup> and one industry group ("Joint Commenters") consisting of New Cingular Wireless PCS, LLC; AT&T Communications of Virginia, LLC; Teleport Communications America, LLC; T-Mobile Northeast, LLC; Verizon South Inc.; Verizon Virginia, LLC; Cellco Partnership d/b/a Verizon Wireless; and MCI Communications Services, LLC. The Joint Commenters requested the Commission approve the Application. None of the commenters requested a hearing on the Application.

On September 14, 2022, Staff filed a Staff Report. Based on its analysis, Staff agrees with NANPA's information and believes that the projected exhaust data, including the utilization reports, reasonably demonstrates the need for area code relief.<sup>14</sup> Staff recommends that the Commission: (1) approve the proposed all-services distributed overlay; (2) require NANPA and the Industry to follow the established Customer Education and Technical/E911 Implementation proposals included in the Application; (3) require Industry operating in the 804 NPA to provide copies of their consumer education plans to the Division of Public Utility Regulation; and (4) approve the Industry's proposed nine-month implementation schedule for the overlay.<sup>15</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the recommendations set forth in the Staff Report should be and hereby are adopted.

Accordingly, IT IS ORDERED THAT:

- (1) An all-services distributed overlay is approved to provide area code relief in the 804 NPA.
- (2) The proposed nine-month implementation of an all-services distributed overlay for the 804 area code is approved.
- (3) NANPA and Industry members operating in the current 804 area code shall follow the established Customer Education and Technical/E911 Implementation proposals included in the Application.
- (4) Industry members operating in the current 804 area code shall provide copies of their customer education plans to the Division of Public Utility Regulation before the commencement of the nine-month implementation schedule.
- (5) All assignable central office codes from the 804 NPA shall be exhausted before assignments are made in the new overlay area code.
- (6) This case is dismissed.

NOTE: Copies of the attachments entitled "Appendices A, B, and C" are on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>9</sup> *Id.* at 6-8.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 5, 7.

<sup>12</sup> *Id.* at 8-9.

<sup>13</sup> While several of the individual commenters had proposals on what the new area code should be, it is NANPA, and not this Commission, that selects the number to be assigned. *See, e.g.*, Application at Exhibit A, pp. 8-9.

<sup>14</sup> Staff Report at 6.

<sup>15</sup> *Id.* at 7-8.

**CASE NO. PUR-2022-00084  
OCTOBER 14, 2022**

APPLICATION OF  
GSPP HOLDCO V, LLC

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On May 19, 2022, GSPP Holdco V, LLC ("Holdco" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia ("Code").<sup>1</sup> The Company seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, the Company attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>2</sup>

On August 30, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before September 2, 2022, and to file proof of service on or before September 9, 2022. On August 31, 2022, the Company filed its proof of service.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before September 16, 2022. No comments were filed.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before September 23, 2022. On September 23, 2022, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness.<sup>3</sup> Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.<sup>4</sup>

NOW THE COMMISSION, upon consideration of this matter, finds that Holdco's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) Holdco is hereby granted license No. SS-20 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.
- (2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>1</sup> The Company submitted supplemental filings on July 29, 2022, and August 19, 2022, to complete its Application.

<sup>2</sup> 20 VAC 5-340-10 *et seq.*

<sup>3</sup> Report at 4-5.

<sup>4</sup> *Id.* at 5.

**CASE NO. PUR-2022-00085  
AUGUST 12, 2022**

APPLICATION OF  
ATMOS ENERGY CORPORATION

For approval of a 2022 SAVE Rider Projected Factor and True-Up Factor

**ORDER APPROVING SAVE RIDER**

On May 31, 2022, Atmos Energy Corporation ("Atmos" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a revised Infrastructure Replacement Current Rate ("Projected Factor") in addition to an Infrastructure Replacement Reconciliation Rate ("True-up Factor") under the Company's Commission-approved Steps to Advance Virginia's Energy Plan ("SAVE Plan").<sup>1</sup> Pursuant to Code § 56-604 (E), the Commission must approve or deny the Application within 90 days of filing.

<sup>1</sup> The Company's SAVE Rider was most recently updated in 2021. *See Application of Atmos Energy Corporation, For approval of a 2021 SAVE Rider Projected Factor*, Case No. PUR-2021-00121, S.C.C. Ann. Rept. 497, Order Approving SAVE Rider (Aug. 23, 2021). *See also Application of Atmos Energy Corporation, For approval of a SAVE Plan and Rider as provided by Chapter 26 of Title 56 of the Code of Virginia*, PUR-2019-00054, 2019 S.C.C. Ann. Rept. 411, Order Approving SAVE Plan and Rider (Sept. 24, 2019).

The Company's total proposed SAVE Plan investment for fiscal year 2023 is approximately \$4,677,712.<sup>2</sup> Based on the proposed SAVE investment for fiscal year 2023, Atmos requests a Projected Factor revenue requirement of \$1,190,823.<sup>3</sup> A proposed True-up Factor Revenue Requirement of \$738<sup>4</sup> increases the overall 2022 SAVE Factor Revenue Requirement to \$1,191,561.<sup>5</sup>

On June 9, 2022, the Commission entered an Order for Notice and Comment in this proceeding that, among other things, required the Company to publish notice of its Application; provided interested persons an opportunity to file comments, participate as a respondent, or request a hearing; required the Staff of the Commission ("Staff") to investigate the Application and file a report ("Staff Report" or "Report") containing its findings and recommendations; and permitted the Company to file a response to the Staff Report ("Response").

The Commission received no comments, notices of participation, or requests for hearing in this proceeding.

On July 27, 2022, Staff filed its Report. In its Report, Staff recommended that the Commission approve a 2022 SAVE Rider for Atmos, effective for customer bills rendered on or after October 1, 2022, based on a True-Up Factor revenue requirement of \$738 and a Projected Factor revenue requirement of \$1,190,823, resulting in a total 2022 SAVE Rider revenue requirement of \$1,191,561, as proposed by the Company.<sup>6</sup> In the Report, Staff noted that the Company's True-up Factor revenue requirement of \$738 reflected activity for the 12-months ended September 2021, but did not account for any pre-existing over or under-recoveries to be credited or billed to customers.<sup>7</sup> Specifically, the Company did not include the actual cumulative over-recovery balance as of September 30, 2020, in the calculation of the True-up Factor revenue requirement.<sup>8</sup> Staff noted that inclusion of those amounts in the calculation of the True-up Factor revenue requirement would provide the fullest, most current accounting for the recovery balance as of the beginning of the 2022 SAVE Plan Rider rate year. Staff further noted that the Company currently does not record the SAVE under/(over) recovery balance on its books, and recommended that the Commission direct the Company to begin doing so in order to provide more transparency in audits, and to be consistent with deferral accounting employed by other utilities for dollar-for-dollar mechanisms.<sup>9</sup>

In its Report, Staff also found that the class allocation factors proposed by Atmos are consistent with the allocation methodology previously approved by the Commission in the Company's most recent SAVE Rider proceeding.<sup>10</sup> Regarding rate design, Staff noted that the Commission also previously approved the SAVE Rider to be charged to customer bills as a fixed monthly charge.<sup>11</sup> Staff therefore recommended that the Company's proposed allocation methodology remain in place.<sup>12</sup> Staff added that should the Commission approve a revenue requirement that differs from the Company's requested revenue requirement, the corresponding SAVE Rider charges should be adjusted proportionately.<sup>13</sup>

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<sup>2</sup> Application, Schedule 12b at 2.

<sup>3</sup> *Id.* at Schedule 1.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> Staff Report at 9. According to the Company, the combined 2022 SAVE Rider Rate for residential customers will be \$1.46 per month, an increase of \$0.59 over the current rate of \$0.87 for such customers. Application at Schedule 17a.

<sup>7</sup> *Id.* at 1.

<sup>8</sup> *Id.* at 3.

<sup>9</sup> *Id.* at 4.

<sup>10</sup> *Id.* at 6; *Application of Atmos Energy Corporation, For approval of a 2021 SAVE Rider Projected Factor*, Case No. PUR-2021-00121, S.C.C. Ann. Rept. 497, Order Approving SAVE Rider (Aug. 23, 2021).

<sup>11</sup> Staff Report at 7; *Application of Atmos Energy Corporation, For approval of a SAVE Plan and Rider as provided by Chapter 26 of Title 56 of the Code of Virginia*, PUR-2019-00054, 2019 S.C.C. Ann. Rept. at 412, Order Approving SAVE Plan and Rider (Sept. 24, 2019).

<sup>12</sup> Staff Report at 7.

<sup>13</sup> *Id.* at 8.

On August 3, 2022, Atmos filed its Response, wherein the Company stated that it did not oppose Staff's recommendations.<sup>14</sup> The Company further stated that, as noted in the Staff Report, the Company conducted an analysis of its cumulative under/(over) recovery balance as of September 30, 2020, which showed that as of September 30, 2020, the Company had a cumulative over-recovery balance of \$27,507 and is forecasting to credit \$26,001 during the period October 1, 2021 through September 30, 2022.<sup>15</sup> Incorporating this cumulative under/(over) recovery balance as of September 30, 2020 into the Company's filing schedules results in a \$1,505, or 0.1%, change in the total SAVE revenue requirement.<sup>16</sup> Given the minimal (0.1%) impact to the total revenue requirement in this proceeding, the Company respectfully requested that the Commission approve the True-up Factor revenue requirement of \$738 as filed in the Company's application and not opposed by Staff.<sup>17</sup> The Company stated that it will begin recording the under/(over) recovery balance on its books as recommended by Staff, and to the extent any under/(over) recovery balance exists as of September 30, 2022, the Company will include the cumulative balance in its calculation of SAVE rates in its 2023 SAVE application.<sup>18</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a total SAVE Rider revenue requirement of \$1,191,561 should be approved. In granting this approval, the Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers.

We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to this case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) Atmos's 2022 SAVE Rider revenue requirement of \$1,191,561, consisting of a True-Up Factor revenue requirement of \$738 and a Projected Factor revenue requirement of \$1,190,823, is hereby approved. Rates consistent with this Order shall become effective with the first billing cycle in October 2022 and remain in effect until September 30, 2023.

(2) Atmos shall record the deferred, cumulative under/(over) recovery balance on its books as described herein.

(3) Atmos forthwith shall file with the Clerk of the Commission and shall submit to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance revised tariffs for the 2022 SAVE Rider, with workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk of the Commission shall retain such filing for public inspection both in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(4) This matter is dismissed.

<sup>14</sup> Response at 1.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 1-2.

<sup>18</sup> *Id.* at 2.

**CASE NO. PUR-2022-00086  
AUGUST 23, 2022**

APPLICATION OF  
ROANOKE GAS COMPANY

For approval to implement a 2023 SAVE Projected Factor Rate and True-Up Factor Rate

**ORDER APPROVING SAVE RIDER**

On May 26, 2022, Roanoke Gas Company ("Roanoke Gas" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-603 *et seq.* of the Code of Virginia ("Code"), the Steps to Advance Virginia's Energy Plan (SAVE) Act, and in accordance with the Commission's Order Approving SAVE Plan and Rider in Case No. PUE-2012-00030,<sup>1</sup> as modified in subsequent SAVE cases.<sup>2</sup> The Company requested approval to implement a 2023 SAVE Projected Factor Rate and a True-Up Factor Rate (collectively, "SAVE Rider Rates").<sup>3</sup> Roanoke Gas further requested approval to implement the associated SAVE Rider Rates effective for the period of October 1, 2022, through September 30, 2023.<sup>4</sup> The Company represented that it is not proposing any amendments or modifications to its SAVE Plan through this Application.<sup>5</sup>

<sup>1</sup> *Application of Roanoke Gas Company, For approval of a SAVE Plan and Rider pursuant to Virginia Code §§ 56-603 et seq.*, Case No. PUE-2012-00030, 2012 S.C.C. Ann. Rept. 422, Order Approving SAVE Plan and Rider (Aug. 28, 2012) ("2012 SAVE Order").

<sup>2</sup> Application at 1-4.

<sup>3</sup> *Id.* at 1.

<sup>4</sup> *Id.* at 5.

<sup>5</sup> *Id.* at 3.

The Application included a summary of the results of the 2021 actual investment and revenue for the SAVE-qualifying projects completed for the period of October 1, 2020, through September 30, 2021.<sup>6</sup> The Company represented that a True-Up Factor revenue requirement and associated rates have been calculated to true-up any difference in the revenues collected through the 2021 SAVE Rider and the actual costs of implementing the 2021 SAVE projects pursuant to Code § 56-604 E.<sup>7</sup>

Further, Roanoke Gas provided documents and workpapers supporting the 2023 SAVE Projected Factor revenue requirement and rates.<sup>8</sup> The Company represented that the 2023 Projected Factor is designed to recover the costs, as defined by Code § 56-603, of eligible infrastructure replacement projects that will occur during the period of October 1, 2022, through September 30, 2023.<sup>9</sup> Roanoke Gas further represented that the 2023 renewal projects were approved in the original 2012 SAVE Order or in subsequent amendments to the Company's SAVE Plan.<sup>10</sup>

According to the documents and workpapers submitted by the Company, Roanoke Gas calculated the 2023 Projected Factor revenue requirement to be \$4,090,909<sup>11</sup> and the 2023 True-Up Factor revenue requirement to be \$88,042<sup>12</sup> for a combined 2023 SAVE Rider revenue requirement of \$4,178,951.<sup>13</sup>

On June 7, 2022, the Commission issued an Order for Notice and Comment in this proceeding that, among other things, docketed the Application; required Roanoke Gas to publish notice of its Application; provided interested persons the opportunity to participate in this proceeding and to comment or request a hearing on the Company's Application; and directed Commission Staff ("Staff") to investigate the Application and file a report ("Staff Report") containing the Staff's findings and recommendations. There were no comments or requests for a hearing filed in this proceeding.

On July 21, 2022, Staff filed its Staff Report containing Staff's analysis of the Application and providing conclusions and recommendations for the Commission's consideration.<sup>14</sup> In the Staff Report, Staff calculated a total 2023 SAVE Rider revenue requirement of \$4,138,273, which comprises a 2023 True-Up Factor of \$87,768 and a 2023 Projected Factor of \$4,050,506.<sup>15</sup> Staff supported the use of the 7.30% overall cost of capital and the 9.44% cost of equity last approved for Roanoke Gas in Case No. PUR-2018-00013.<sup>16</sup>

Staff explained that its proposed 2023 SAVE Rider revenue requirement differed from the Company's proposal, in part, because Staff incorporated a \$39,408 research and development ("R&D") tax credit that reduced revenue requirement.<sup>17</sup> Staff further noted that the Company incurred approximately \$16,000 in consulting fees associated with identifying the R&D tax credit.<sup>18</sup> Staff did not, however, incorporate these consulting fees in its proposed revenue requirement, as Staff noted that such fees are traditionally a base rate item and therefore more appropriately considered in base rates.<sup>19</sup>

In addition, Staff recommended that the Company's future SAVE filings incorporate current average plant retirement data, as well as cost of removal data from its most current depreciation study.<sup>20</sup> Staff further recommended that should the Commission approve a 2023 SAVE Rider revenue requirement that differs from the revenue requirement proposed by the Company, the 2023 SAVE Rider should be adjusted proportionately.<sup>21</sup>

On July 29, 2022, Roanoke Gas filed its Response to Staff Report ("Response"). In its Response, the Company stated that it does not oppose Staff's recommendations to use updated average plant retirement data and cost of removal data in future filings and agrees with Staff's recommendation that should a different revenue requirement be approved, the rider rates should be adjusted accordingly.<sup>22</sup> Roanoke Gas disagreed, however, with Staff's

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at Schedules 1 and 10.

<sup>12</sup> *Id.* at Schedules 1 and 2.

<sup>13</sup> *Id.* at Schedule 1.

<sup>14</sup> On July 22, 2022, Staff filed a corrected replacement page 13 to its Staff Report.

<sup>15</sup> Staff Report at 3.

<sup>16</sup> *Id.* at 8; see *Application of Roanoke Gas Company, For a general increase in rates*, Case No. PUR-2018-00013, 2020 S.C.C. Ann. Rept. 213, Final Order (Jan. 24, 2020).

<sup>17</sup> Staff Report at 4.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.* at 5.

<sup>21</sup> *Id.* at 12.

<sup>22</sup> Response at 2.



exclusion of consulting costs associated with the R&D tax credit in Staff's proposed revenue requirement.<sup>23</sup> The Company requested that the Commission approve Staff's recommendations except for exclusion of the R&D tax credit consulting cost, the inclusion of which would result in a revenue requirement of \$4,154,197.<sup>24</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Roanoke Gas's 2023 SAVE Rider should be approved as recommended by Staff in its Staff Report. Specifically, the Commission approves a total 2023 SAVE Rider revenue requirement of \$4,138,273, including a 2023 True-Up Factor of \$87,768 and a 2023 Projected Factor of \$4,050,506.<sup>25</sup> We also find that the Company's future SAVE filings shall incorporate current average plant retirement data, as well as cost of removal data from its most current depreciation study. In granting this approval, the Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to this case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

The Commission agrees with Staff that an appropriate portion of the R&D tax credit should be reflected in the revenue requirement. As explained by Staff, "[s]ince the SAVE Act provides for the incorporation of income taxes in the SAVE Rider, recognition of this tax credit is appropriate."<sup>26</sup> The Commission declines, however, to include, as part of the SAVE Rider, recovery of consultant fees incurred to secure the R&D tax credit. In reaching this decision, the Commission notes that the only external consulting costs included in the SAVE Act's definition of "Eligible infrastructure replacement costs" is the following provision: "The natural gas utility may recover the external costs associated with establishing its updated weighted average cost of capital through the SAVE rider. Such external costs shall include legal costs and consultant costs[.]"<sup>27</sup> Moreover, as pointed out by Staff, consulting fees are traditionally a base rate item.<sup>28</sup>

The Commission further finds that Roanoke Gas is authorized to spend \$8,294,383 in the 2023 SAVE Year.<sup>29</sup> Based on the 20% annual spending variance, the Company would have the ability to spend a maximum investment to include in the 2023 Projected Factor of \$9,953,260, which shall include spending on all approved categories of investment.<sup>30</sup>

Finally, the Commission approves the Company's proposed revenue apportionment and rate design, neither of which was opposed by Staff.<sup>31</sup>

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application, as modified herein, is approved. Rates reflecting the Commission's findings above shall become effective beginning October 1, 2022, and shall remain in effect until September 30, 2023.

(2) Roanoke Gas forthwith shall file with the Clerk of the Commission and shall submit to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance revised tariffs for the 2023 SAVE Rider, with workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk of the Commission shall retain such filing for public inspection both in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(3) This matter is dismissed.

<sup>23</sup> *Id.* at 4.

<sup>24</sup> *Id.* at 4-5.

<sup>25</sup> *See* Staff Report at 3.

<sup>26</sup> *See id.* at 4.

<sup>27</sup> *See id.* at 4 n.10; Code § 56-603.

<sup>28</sup> *See* Staff Report at 4.

<sup>29</sup> *See id.* at 7.

<sup>30</sup> *See id.*

<sup>31</sup> *See id.* at 12.

**CASE NO. PUR-2022-00091  
JULY 19, 2022**

APPLICATION OF  
ROANOKE GAS COMPANY and CITY OF ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY

For approval of Transfer of Utility Assets pursuant to Va. Code §§ 56-88, *et seq.*

**ORDER GRANTING APPROVAL**

On June 2, 2022, Roanoke Gas Company ("Roanoke Gas") and the City of Roanoke Redevelopment and Housing Authority ("RRHA") (collectively, "Petitioners"), completed the filing of a joint petition ("Petition") with the State Corporation Commission ("Commission") pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>1</sup> requesting approval of: 1) the transfer from RRHA to Roanoke Gas the ownership, operation and maintenance of the upgraded gas systems in two housing complexes, each at *de minimus* cost (\$10) ("Transfer of Hunt Manor and Indian Rock"); and (2) the transfer from RRHA to Roanoke Gas of the ownership, operation and maintenance of the gas system in three other housing complexes after RRHA upgrades certain facilities in each housing complex, each at *de minimus* cost (\$10) ("Transfer of Bluestone Park, Lansdowne Park, and Jamestown Place"). Collectively, both the Transfer of Hunt Manor and Indian Rock, and the Transfer of Bluestone Park, Lansdowne Park, and Jamestown Place, will be known as the Transfer(s).

RRHA was established by the City of Roanoke in 1949 as an independent political subdivision of the Commonwealth of Virginia. RRHA owns and manages approximately 1,276 units of public housing, including some in the Hunt Manor, Indian Rock Village, Bluestone Park, Lansdowne Park, and Jamestown Place housing complexes.

The Hunt Manor, Indian Rock Village, Bluestone Park, Lansdowne Park, and Jamestown Place housing complexes' gas systems had previously operated on a master meter and were serviced by Roanoke Gas while being owned and operated by RRHA. Roanoke Gas provided the materials while RRHA paid the labor costs for the upgrades in the Hunt Manor and Indian Rock Village complexes. The future upgrades at the Bluestone Park, Lansdowne Park, and Jamestown Place gas systems will be identical in manner to those performed in the Hunt Manor and Indian Rock Village housing complexes with Roanoke Gas providing the materials and RRHA paying for labor.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its action brief, is of the opinion and finds that the above-described Transfer should be approved subject to certain requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1, the Joint Petitioners hereby are granted approval of the Transfer as described herein.

(2) The Joint Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) This case is dismissed.

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<sup>1</sup> Va. Code § 56-88 *et seq.* ("Utility Transfers Act").

**APPENDIX A**

1) The Commission's approval should have no accounting or ratemaking implications.

2) The Commission should require that the Transfer of Bluestone Park, Lansdowne Park, and Jamestown Place be consummated only after the upgrades to the gas systems have been completed. Roanoke Gas should include documentation to this effect in its Report of Action ("Report") described below.

3) Roanoke Gas should file a Report within 30 days after closing of the Transfers. The Report should include: a) the case number in which the Transfers were approved; (b) the description of each Transfer; (c) the date of each Transfer; and (d) the journal entries for each Transfer (as they are recorded in Roanoke Gas' books).

**CASE NO. PUR-2022-00092**  
**AUGUST 4, 2022**

APPLICATION OF  
ATLANTIC BROADBAND ENTERPRISE, LLC

For cancellation and reissuance of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services to reflect a company name change

**ORDER REISSUING CERTIFICATES**

On June 3, 2022, Atlantic Broadband Enterprise, LLC ("Atlantic Broadband" or "Company") filed an application with the State Corporation Commission ("Commission") requesting that the certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia issued to Atlantic Broadband<sup>1</sup> be cancelled and reissued to reflect a company name change ("Application"). The Company submitted proof of its name change to Cogeco US Enterprise, LLC d/b/a Breezeline.

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that the existing certificates in the name of Atlantic Broadband should be cancelled and reissued in the name of Cogeco US Enterprise, LLC d/b/a Breezeline.

Accordingly, IT IS ORDERED THAT:

- (1) This case is docketed and assigned Case No. PUR-2022-00092.
- (2) The certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-754, heretofore issued to Atlantic Broadband is hereby cancelled and shall be reissued as T-754a in the name of Cogeco US Enterprise, LLC d/b/a Breezeline.
- (3) The certificate of public convenience and necessity to provide interexchange telecommunications services in the Commonwealth of Virginia, Certificate No. TT-298A, heretofore issued to Atlantic Broadband is hereby cancelled and shall be reissued as TT-298B in the name of Cogeco US Enterprise, LLC d/b/a Breezeline.
- (4) Any tariffs on file with the Commission's Division of Public Utility Regulation or product guide available online in the name of Atlantic Broadband Enterprise, LLC shall be replaced reflecting the name change within forty-five (45) days of the date of entry of this Order.
- (5) This case is dismissed.

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<sup>1</sup> See *Application of Atlantic Broadband Enterprise, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2017-00169, 2018 S.C.C. Ann. Rept. 326, Final Order (March 30, 2018).

**CASE NO. PUR-2022-00093**  
**AUGUST 23, 2022**

APPLICATION OF  
PRINCE GEORGE ELECTRIC COOPERATIVE

For approval of authority to guarantee the debt of an affiliate pursuant to Chapters 3 & 4 of Title 56 of the Code of Virginia.

**ORDER GRANTING APPROVAL**

On August 3, 2022, Prince George Electric Cooperative ("Prince George" or "Applicant") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") requesting approval pursuant to Chapters 3<sup>1</sup> and 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code") of a guarantee ("Guarantee") of a \$3 million short-term line of credit ("LOC") for its affiliate, RURALBAND,<sup>3</sup> with the National Rural Utilities Cooperative Finance Corporation.<sup>4</sup> On August 4, 2022, the Applicant filed a Motion for Protective Ruling and proposed Protective Ruling ("Motion"), stating that the Applicant had provided confidential information to the Staff of the Commission ("Staff") in response to an informal data request.<sup>5</sup>

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<sup>1</sup> Code § 56-55 *et seq.*

<sup>2</sup> Code § 56-76 *et seq.*

<sup>3</sup> PGEC Enterprises, LLC d/b/a RURALBAND ("RURALBAND"). RURALBAND is a wholly owned subsidiary of PRINCE GEORGE that provides unregulated Fiber to the Home service to customers in Virginia.

<sup>4</sup> Prince George filed its initial Application on June 6, 2022, and the filing fee on June 8, 2022. The Applicant filed a Supplement to the Application on August 3, 2022, at which time the Application was deemed complete.

<sup>5</sup> Motion at 3.

RURALBAND is participating in two projects ("Project(s)") to expand broadband service in underserved areas of Dinwiddie County and Sussex County. The Dinwiddie Project will offer universal broadband service to approximately 5,522 homes and businesses throughout Dinwiddie County that do not currently have access to broadband.<sup>6</sup> Construction will begin this summer and extend for approximately 24 months with an anticipated completion date of June 1, 2024. The Dinwiddie Project is backed by funding through a Virginia Telecommunications Initiative ("VATI") grant.<sup>7</sup>

The Sussex Project will offer universal broadband service to approximately 2,267 homes and businesses throughout Sussex County that do not currently have access to broadband.<sup>8</sup> Construction will begin this summer and extend for approximately 18 months with an anticipated completion date of December 2023. The Sussex Project is backed by funding through a VATI grant.<sup>9</sup>

The two Projects' combined construction costs will total approximately \$19.7 million. The VATI grants will finance approximately \$17.7 million of the two Projects' costs, while RURALBAND will fund the remaining \$2 million with internally generated cash.<sup>10</sup>

The Applicant represents that while RURALBAND has positive income and access to long-term credit facilities, the LOC will allow RURALBAND to float expenditures until RURALBAND receives the VATI reimbursements, which will be used to pay down the LOC.<sup>11</sup>

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff through its action brief, is of the opinion and finds that approval of the Application will not be detrimental to the public interest. The Commission also finds that the Applicant's Motion is no longer necessary; therefore, the Motion for Protective Ruling should be denied.<sup>12</sup>

Accordingly, IT IS SO ORDERED THAT:

- (1) Prince George is granted approval to enter into the Guarantee subject to the requirements listed in the Appendix attached to this order.
- (2) The Applicant's Motion is denied.
- (3) This case is dismissed.

<sup>6</sup> See Application, Financing Summary, Item 1 (E).

<sup>7</sup> See Confidential Response to Staff DR 1-4, attached to Staff's action brief filed concurrently with this order.

<sup>8</sup> *Id.* See Application, Financing Summary, Item 1 (E).

<sup>9</sup> See Confidential Response to Staff DR 1-4, attached to Staff's action brief filed concurrently with this order.

<sup>10</sup> See Application, Financing Summary, Item 1(I).

<sup>11</sup> Prince George also represents that the Credit facility will be in place until the construction work is completed and PGEC Enterprises, LLC. has received all reimbursement of expenditures. This should occur by or in the 4th quarter of 2024. See Public Response to Staff DR 1-10.

<sup>12</sup> The Commission held the Applicant's Motion in abeyance and has not received a request for leave to review any confidential information contained in responses provided to Staff inquiry. Accordingly, we deny the Motion as moot.

#### APPENDIX

- 1) Prince George is approved to enter into the Guarantee as described herein.
- 2) Separate Commission approval shall be required for any changes in the terms and conditions of the approved Guarantee.
- 3) All costs associated with the approved Guarantee, inclusive of attorney and filing fees, shall be charged to RURALBAND. The dates, accounts, and amounts of such transactions, as they are recorded in the books of Prince George and RURALBAND, shall be reported in Prince George's Annual Report of Affiliate Transactions ("ARAT") submitted to the Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director.
- 4) In future ARATs (until the LOC is closed) Prince George shall include a schedule of the VATI grant disbursements and corresponding payments on the LOC, by date, payment, and remaining balance.
- 5) Prince George shall provide notice to the UAF Director within 30 days of any payments made by Prince George on behalf of RURALBAND under the Guarantee.
- 6) Prince George shall report and update all cumulative, outstanding obligations incurred by the Applicant on behalf of RURALBAND in Prince George's ARAT. Such report shall indicate the affiliate's name, the purpose and amount of each respective obligation, and when it is scheduled to end.
- 7) The Commission's approval shall have no accounting or ratemaking implications.
- 8) The approval granted herein shall not preclude the Commission from exercising its authority under Code § 56-76 et seq. hereafter.
- 9) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by the Commission.
- 10) Prince George shall file with the Commission a signed and executed copy of the approved Guarantee agreement within sixty (60) days of the effective date of the order in these cases, subject to administrative extension by the UAF Director.

**CASE NO. PUR-2022-00094  
AUGUST 12, 2022**

PETITION OF  
AMAZON ENERGY LLC

For a limited waiver of the Regulations Governing Accelerated Renewable Energy Buyers, 20 VAC 5-319-10 *et seq.*

**ORDER GRANTING WAIVER**

On June 8, 2022, Amazon Energy LLC ("Amazon Energy") filed a Petition ("Petition") with the State Corporation Commission ("Commission") for a limited waiver of the March 1, 2022 deadline for Amazon Energy to submit its Accelerated Renewable Energy Buyer Program Certification under 20 VAC 5-319-40 A 1 of the Commission's Regulations Governing Accelerated Renewable Energy Buyers, 20 VAC 5-319-10 *et seq.*<sup>1</sup> Through its Petition, Amazon Energy seeks to include certain renewable energy certificates ("RECs") purchased during 2021 in the calculation of its offset from Renewable Portfolio Standard compliance costs pursuant to § 56-585.5 G 1 of the Code of Virginia.<sup>2</sup>

On June 27, 2022, the Commission entered an Order for Comment that provided an opportunity for Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, the Office of the Attorney General's Division of Consumer Counsel, and Commission Staff to file a response to the Petition and for Amazon Energy to file a reply to any responsive pleadings.

On July 8, 2022, Dominion filed comments on the Petition. In its comments, Dominion stated that it did not oppose Amazon Energy's request for relief, as it is limited to this specific Accelerated Renewable Energy Buyer certification year.<sup>3</sup> Dominion requested, however, that if the Commission grants the relief requested, then Amazon Energy also be directed to determine a process to obtain information on RECs generated in the fourth quarter of 2022 and future years by Fowler Ridge and Paulding Wind Farm to incorporate into its Accelerated Renewable Energy Buyer certification form the following March.<sup>4</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Amazon Energy's Petition should be granted. We agree that Amazon Energy should, if possible, determine a process to obtain information on RECs generated in the fourth quarter of 2022 and future years by Fowler Ridge and Paulding Wind Farm to incorporate into its Accelerated Renewable Energy Buyer certification form the following March. Should Amazon Energy seek a similar waiver in the future, then it shall provide a detailed explanation of what steps it has taken to avoid recurrence of this issue.

Accordingly, IT IS ORDERED THAT:

- (1) Amazon Energy's Petition is granted as described herein.
- (2) This case is dismissed.

<sup>1</sup> Amazon Energy made its filing pursuant to Rule 100 (5 VAC 5-20-100) of the Commission's Rules of Practice and Procedure (5 VAC 5-20-10 *et seq.*); however, given the relief requested, the Commission will treat it as filed under Rule 80 A (5 VAC 5-20-80 A).

<sup>2</sup> Amazon Energy also requests modification of the certification letter issued to Amazon Energy on April 29, 2022, to include additional offsets and requests leave to submit updated Schedules 2 and 3 to its Accelerated Renewable Energy Buyer Program Certification and an additional power purchase agreement. Petition at 1.

<sup>3</sup> Dominion Comments at 1.

<sup>4</sup> *Id.* at 2.

**CASE NO. PUR-2022-00095  
JULY 26, 2022**

APPLICATION OF  
SINGLE SOURCE INTEGRATED SERVICES, INC.

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

**ORDER CANCELLING CERTIFICATE**

On June 10, 2022, Single Source Integrated Services, Inc. ("Company"), filed an application with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate") issued to the Company to provide local exchange telecommunications services in the Commonwealth of Virginia.<sup>1</sup> The filing states that the Company has not offered service to customers in Virginia pursuant to Certificate No. T-423a since January 1, 2019.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-423a should be cancelled, and that any tariffs on file associated with the Certificate should be cancelled.

<sup>1</sup> See *Application of Single Source of Virginia, Incorporated, For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services and to reissue a certificate reflecting new corporate name*, Case No. PUC-2006-00122, 2006 S.C.C. Ann. Rept. 279, Final Order (Sept. 21, 2006) (Granting Certificate No. T-423a).

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed as Case No. PUR-2022-00095.
- (2) Certificate No. T-423a, issued to Single Source Integrated Services, Inc., to provide local exchange telecommunications services, is hereby cancelled.
- (3) Any tariffs on file with the Commission associated with Certificate No. T-423a are hereby cancelled.
- (4) This case is dismissed.

**CASE NO. PUR-2022-00098  
NOVEMBER 22, 2022**

JOINT APPLICATION OF

FUSION CONNECT, INC., FUSION CLOUD SERVICES, LLC, FUSION CONNECT LLC, and THE NORTH HAVEN ENTITIES

For approval of the transfer of control of Fusion Connect LLC and Fusion Cloud Services, LLC

**ORDER GRANTING APPROVAL**

On September 28, 2022, Fusion Connect, Inc., Fusion Cloud Services, LLC ("Fusion Cloud"), Fusion Connect LLC ("Fusion"), and the North Haven Entities<sup>1</sup> (collectively, "Applicants")<sup>2</sup> completed the filing of a Joint Application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>3</sup> requesting approval of the transfer of indirect control of Fusion and Fusion Cloud to the North Haven Entities ("Transfer"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>4</sup>

Fusion is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission in Case No. PUR-2019-00074.<sup>5</sup> Fusion Cloud is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission in Case No. PUR-2021-00253.<sup>6</sup>

The Applicants assert that Fusion and Fusion Cloud will continue to provide services to their customers in Virginia without any immediate changes to the rates, terms or conditions of service as currently provided.<sup>7</sup> The Applicants represent that the proposed Transfer will occur at the ultimate parent company level only and will be imperceptible to customers.<sup>8</sup> The Applicants further represent that customers will continue to receive services from the same providers and that the proposed Transfer will have no direct effect upon the operations and management of Fusion and Fusion Cloud.<sup>9</sup> Information provided with the Application indicates that Fusion and Fusion Cloud will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the control of the North Haven Entities.<sup>10</sup>

<sup>1</sup> The "North Haven Entities" consist of: North Haven Credit Partners II L.P., North Haven Senior Loan Fund L.P., and North Haven Credit Partners III Holdings L.P.

<sup>2</sup> Vector Fusion Holdings (Cayman) Ltd.; Vector Capital V, L.P.; Vector Capital Partners V, L.P.; Vector Capital Partners V, Ltd.; Vector Capital Management, L.P.; Vector Capital, LLC; Alex Slusky; MS Credit Partners II GP L.P.; MS Credit Partners II GP Inc.; MS Credit Partners III GP L.P.; MS Credit Partners III GP Inc.; MS Senior Loan Partners GP L.P.; MS Senior Loan Partners GP Inc.; MS Capital Partners Advisor, Inc.; MS Holdings Incorporated; and Morgan Stanley are also considered Applicants in this proceeding and have provided the statutorily required verifications.

<sup>3</sup> Code § 56-88 *et seq.*

<sup>4</sup> 5 VAC 5-20-10 *et seq.*

<sup>5</sup> See *Application of Network Billing Systems, L.L.C., For cancellation and issuance of a certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change*, Case No. PUR-2019-00074, 2019 S.C.C. Ann. Rept. 433, Order Reissuing Certificate (Oct. 31, 2019).

<sup>6</sup> See *Application of Fusion Cloud Services, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2021-00253, Doc. Con. Cent. No. 220320117, Final Order (Mar. 15, 2022).

<sup>7</sup> Application at 2.

<sup>8</sup> Application, Exhibit 2 at 2.

<sup>9</sup> Application, Exhibit 2 at 2, 9.

<sup>10</sup> See *id.*

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Applicants' Motion is no longer necessary and, therefore, should be denied.<sup>11</sup>

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Transfer as described herein.
- (2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.
- (3) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.
- (4) This case is dismissed.

<sup>11</sup> The Commission has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

**CASE NO. PUR-2022-00099**  
**SEPTEMBER 8, 2022**

APPLICATION OF  
BRIGHT POWER, INC. d/b/a BRIGHT COASTAL

For a license to conduct business as a competitive service provider

**ORDER GRANTING LICENSE**

On July 19, 2022, Bright Power, Inc. d/b/a Bright Coastal ("Bright" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider.<sup>1</sup> Bright seeks authority to provide retail electric and natural gas aggregation services to eligible commercial and multi-family residential customers throughout Virginia.<sup>2</sup> In its Application, the Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").<sup>3</sup>

On July 22, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon the utilities listed in Attachment A to the Procedural Order<sup>4</sup> on or before August 2, 2022, and to file proof of service on or before August 9, 2022. On August 1, 2022, the Company filed its proof of service.

The Procedural Order also directed any comments in the matter be filed with the Clerk of the Commission on or before August 16, 2022. On August 16, 2022, Dominion filed a notice of participation and comments ("Comments") in the case.

The Procedural Order further directed the Staff of the Commission ("Staff") to investigate the Application and present its findings in a report ("Report") on or before August 26, 2022. The Staff filed its Report on August 26, 2022, which summarized Bright's proposal and evaluated its financial condition and technical fitness. Based on its review of the Application, Staff recommended that Bright be granted a license to conduct business as an electric and natural gas aggregator to eligible commercial, industrial, governmental, and residential customers throughout Virginia.

NOW THE COMMISSION, upon consideration of the Application, the case record, and applicable law, finds that Bright's Application for a license to provide competitive electric and natural gas aggregation services should be granted, subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) Bright is hereby granted license No. A-127 to provide electric and natural gas aggregation services to eligible commercial, industrial, governmental, and residential customers throughout Virginia. This license to act as a competitive service provider is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

<sup>1</sup> The Company filed its Application on June 23, 2022. On July 19, 2022, Bright filed supplemental information to complete its Application.

<sup>2</sup> Bright Power initially requested authority to provide retail electric and natural gas aggregation services to eligible commercial and multi-family residential customers in the service territories of Dominion Virginia Power, Appalachian Power Company, Appalachian Natural Gas Distribution Company, Columbia Gas of Virginia, Inc., Virginia Natural Gas, Inc., Roanoke Gas Company and Washington Gas Light Company. Application at 4. Bright Power revised this request to include all eligible electric and natural gas local distribution customers. Supplemental Application at 4-5.

<sup>3</sup> 20 VAC 5-312-10 *et seq.*

<sup>4</sup> Order for Notice and Comment at 1. *See also*, Attachment A to the Commission's Order for Notice and Comment.

- (2) This license is not valid authority for the provision of any product or service not identified within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

**CASE NO. PUR-2022-00102  
NOVEMBER 10, 2022**

JOINT PETITION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and OLD DOMINION ELECTRIC COOPERATIVE

For approval to transfer utility assets pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq.*

**ORDER GRANTING APPROVAL**

On June 29, 2022, Virginia Electric and Power Company ("DEV" or "Company") and Old Dominion Electric Cooperative ("ODEC") (collectively, "Petitioners") filed a Joint Petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>1</sup> requesting approval for ODEC to transfer to DEV the undivided ownership interest held by ODEC in certain 230-kilovolt ("kV") transmission equipment ("Transmission Equipment")<sup>2</sup> located within the switchyard of the Clover Power Station ("Transfer").<sup>3</sup> The Petitioners also requested an amended certificate of public convenience and necessity ("CPCN") to reflect ODEC's transfer of its ownership interest in the Transmission Equipment to DEV.<sup>4</sup>

ODEC is a utility aggregation cooperative, organized and operating under the laws of the Commonwealth of Virginia, and subject to the Federal Energy Regulatory Commission's jurisdiction. The Petitioners represent that ODEC supplies capacity and energy to its 11 electric distribution cooperative members ("Members"), all of which are located within the PJM Interconnection, LLC, control area.

The Petitioners represent that on March 31, 2022, DEV and ODEC entered into an Asset Purchase and Sale Agreement, which was amended on June 28, 2022 (the "Agreement"),<sup>5</sup> pursuant to which ODEC agreed to transfer its right, title, and interest in the Transmission Equipment and certain related assets to DEV in exchange for consideration equal to the net book value ("NBV") of the Transmission Equipment as of March 31, 2022, of \$993,077.<sup>6</sup>

The Petitioners represent that the transfer of ODEC's undivided ownership interest in the Transmission Equipment will not impair or jeopardize DEV's or ODEC's provision of adequate service to their respective customers and Members because the Transfer will have no impact on the manner in which the Clover Power Station is operated or dispatched. DEV represents that it will continue to manage and operate the Transmission Equipment following the Transfer in the same manner it has since commercial operations commenced, ensuring that adequate and reliable transmission service is maintained.<sup>7</sup> DEV also represents that it will continue to do so even if it were to sell its interest in the generation assets of the Clover Power Station or retire the generation facility from its generation portfolio. The Petitioners further represent that the Transfer will not impact ODEC's service to its Members as ODEC will continue to be able to utilize the transmission system, including the Transmission Equipment, to provide service to its Members.<sup>8</sup>

Finally, the Petitioners represent that the Transfer will have little, if any, adverse effect on transmission rates as the net increase in DEV's transmission plant will be less than \$1 million, resulting in an approximately 0.008% increase in DEV's transmission revenue requirement. Accordingly, the Petitioners represent that any increase in customer rates will be greatly outweighed by the benefits of DEV owning 100% of the Transmission Equipment.<sup>9</sup>

<sup>1</sup> Code § 56-88 *et seq.*

<sup>2</sup> The Transmission Equipment includes nine (9) circuit breakers, station equipment, towers and fixtures, poles and fixtures, structures and improvements, and communication equipment. Petition at 5.

<sup>3</sup> The Petitioners represent that DEV and ODEC each own a 50% undivided ownership interest in the two-unit, coal-fired Clover Power Station, including the Transmission Equipment located within the Clover Substation, located in Halifax County, Virginia. *Id.* at 3-4.

<sup>4</sup> Pursuant to the Utility Facilities Act, Va. Code § 56-265.1 *et seq.*

<sup>5</sup> See Attachment B to the Petition.

<sup>6</sup> Petition at 4-5. The Petitioners state that an itemized list of the Transmission Equipment is provided in Exhibit A to the Agreement (Attachment B to the Petition); the calculation of the NBV of the Transmission Equipment is set forth in Attachment C to the Petition; the proposed accounting treatment of the Transfer is described in Attachment D to the Petition; and a map depicting the location and ownership interests of the Transmission Equipment is included as Attachment E to the Petition.

<sup>7</sup> *Id.* at 5.

<sup>8</sup> *Id.* at 5-6.

<sup>9</sup> *Id.* at 6-7.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

In its June 16, 1994 Order Granting Certificates, the Commission issued an amended CPCN, Certificate No. ET-84k, to ODEC and DEV, authorizing the Petitioners to construct and operate the Clover Power Station, and authorizing DEV to operate existing transmission lines and facilities, and construct and operate previously certificated 230 kV transmission lines and a 500 kV transmission line, all in Halifax County.<sup>10</sup> To the extent necessary, the Petitioners requested that the Commission issue an amended CPCN to reflect the Transfer of ODEC's ownership interest in the Transmission Equipment to DEV.

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff through its Action Brief, is of the opinion and finds that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by the proposed Transfer. Therefore, we will approve the Transfer subject to the requirements listed in the Appendix attached to this Order. The Commission also finds that an amended CPCN is not needed in this case.<sup>11</sup>

Accordingly, IT IS ORDERED THAT:

- (1) The Transfer is authorized subject to the requirements listed in the Appendix attached to this Order.
- (2) This case is dismissed.

<sup>10</sup> The Commission first issued Certificate No. ET-84i pursuant to its January 22, 1990 Order Granting an Amended Certificate, which authorized the Petitioners to construct and operate the Clover Power Station, including associated facilities, and authorized DEV to continue to operate previously certificated transmission lines and facilities in Halifax County. See *Application of Old Dominion Electric Cooperative and Virginia Electric and Power Company, For approval of new generation facilities pursuant to Virginia Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.2*, Case No. PUE-1989-00051, 1990 S.C.C. Ann. Rept. 287, Order Granting an Amended Certificate (Jan. 22, 1990). On September 23, 1992, the Commission issued an amended CPCN, Certificate No. ET-84j, providing additional authority for DEV to construct and operate a new 230 kV transmission line associated with the Clover Power Station. See *Application of Virginia Electric and Power Company, To amend its certificate of public convenience and necessity authorizing operation of transmission lines and facilities in Halifax County: Clover Power Station 230 kV tap lines*, Case No. PUE-1992-00043, 1992 S.C.C. Ann. Rept. 340, Order Granting Amended Certificate (Sept. 23, 1992). Certificate No. ET-84k, which superseded Certificate No. ET-84j, further provided DEV authority to construct and operate a 500 kV transmission line associated with the Clover Power Station. See *Application of Virginia Electric and Power Company, To amend certificates of public convenience and necessity authorizing transmission lines and facilities in the Counties of Brunswick, Charlotte, Dinwiddie, Halifax, Lunenburg and Mecklenburg: Clover-Carson 500 kV transmission line*, Case No. PUE-1992-00058, 1994 S.C.C. Ann. Rept. 336, Order Granting Certificates (Jun. 16, 1994). See also Petition at 7, n.2.

<sup>11</sup> The transfer of ownership of the Transmission Equipment from ODEC to DEV does not change the provisions of the existing CPCN, Certificate No. ET-84k. Accordingly, the Commission determines that no modification to Certificate No. ET-84k is necessary.

## APPENDIX

- 1). The Commission's approval shall have no accounting or ratemaking implications.
- 2) The Commission's approval of the Transfer shall remain effective for three (3) years from the effective date of the Order in this case. If the Transfer does not close within that period, separate Commission approval shall be required.
- 3) The Company shall be required to file a Report of Action ("Report") within 30 days of the Transfer's closing. The Report shall include the Transfer closing date; the names of the parties to the Transfer; the actual Transfer price; and the accounting journal entries for the Transfer as it is recorded in DEV's books.

**CASE NO. PUR-2022-00105  
AUGUST 25, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY, DOMINION ENERGY, INC., and DOMINION ENERGY SERVICES, INC.

For approval to enter into a bill of sale agreement under Chapter 4 of Title 56 of the Code of Virginia.

**ORDER GRANTING APPROVAL**

On July 7, 2022, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV" or "Company"), Dominion Energy, Inc. ("DEI"), and Dominion Energy Services, Inc. ("DES") (collectively, the "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> requesting approval to enter into a Bill of Sale Agreement ("Agreement"). Under the proposed transaction, DEV will acquire certain office furniture, fixtures, and equipment ("Assets") located at the Eighth and Main building in Richmond, Virginia, from its affiliates DES and DEI.

<sup>1</sup> Code § 56-76 *et seq.*

The Company states that it has a need for office furniture and equipment for use at various locations in Virginia and North Carolina, and that it will benefit from this transaction insofar as the Company will not be required to obtain new office furniture, fixtures, and equipment at market price. The Company represents that the Assets will be sold at net book value. The total net book value of the Assets is approximately \$1,745,364. The Company states that it has not yet determined the specific assets it will acquire and that it is possible that the Company will acquire the assets through more than one transaction. The Applicants propose to execute the Agreement with a schedule detailing the specific items transferred.<sup>2</sup>

The Company provided journal entries of the proposed transfer ("Asset Transfer"), which show that the transferred Assets will be recorded at net book value.<sup>3</sup> The Company represents that the Assets will be sold at net book value because a market value is not available for the assets.<sup>4</sup> The Company represents that no unnecessary costs will be imposed on customers as a result of this purchase.<sup>5</sup> DEI and DES will be responsible for the expenses of dismantling and transporting the assets.<sup>6</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through its Action Brief and having considered the Company's comments thereon, is of the opinion and finds that the Agreement is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Applicants are hereby granted approval to enter into the Agreement effective as of the date of this Order Granting Approval, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

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<sup>2</sup> See Application at 4-6.

<sup>3</sup> See Staff's Action Brief at 3, filed concurrently with this order.

<sup>4</sup> See *id.*

<sup>5</sup> See Application at Attachment A, E2.

<sup>6</sup> See Staff's Action Brief at 3.

#### APPENDIX

(1) The Commission's approval shall have no accounting or ratemaking implications.

(2) The Applicants shall file with the Commission a signed and executed copy of the Agreement within sixty (60) days of the date of the Order Granting Approval in this case, with such filing date subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(3) The Applicants shall file with the Commission a Report of Action ("Report") within sixty (60) days after the consummation of the Asset Transfer. The Report shall include: (1) the effective date of the Asset Transfer; (2) DEV's actual accounting entries, including any tax-related entries, to record the Asset Transfer; and (3) a schedule of the actual transferred Assets by asset description, quantity, and dollar amount. The Asset Transfer accounting entries shall be in accordance with the Uniform System of Accounts for electric utilities.

(4) The Asset Transfer shall be included in DEV's next Annual Report of Affiliate Transactions submitted to the Commission's UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The Asset Transfer information shall include the case number, description, Transfer amount, and Report filing date.

(5) The Commission's approval shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

(6) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

**CASE NO. PUR-2022-00106  
SEPTEMBER 29, 2022**

JOINT PETITION OF

FIBER BIDCO LLC, FIBERLIGHT OF VIRGINIA, LLC, THERMO ACQUISITIONS, INC., and FIBERLIGHT, LLC

For approval of the transfer of control of FiberLight of Virginia, LLC

**ORDER GRANTING APPROVAL**

On July 6, 2022, Fiber BidCo LLC ("BidCo"), FiberLight of Virginia, LLC ("FiberLight"), Thermo Acquisitions, Inc., and FiberLight, LLC (collectively, "Petitioners"),<sup>1</sup> filed a Joint Petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>2</sup> requesting approval of the transfer of indirect control of FiberLight to BidCo and its owners ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>3</sup> On August 24, 2022, the Commission issued an Order Extending Time for Review.

FiberLight is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission.<sup>4</sup> Pursuant to a purchase agreement dated June 28, 2022, the Petitioners will engage in a series of transactions through which indirect control of FiberLight will transfer to BidCo and its owners.<sup>5</sup>

The Petitioners assert that FiberLight will continue to provide services to their customers in Virginia without interruption, and that they have no plans to discontinue any existing services or to terminate agreements currently in place with FiberLight's customers.<sup>6</sup> The Petitioners further represent that the proposed Transfer is expected to enhance the ability of FiberLight to compete in the telecommunications marketplace.<sup>7</sup> Lastly, information provided with the Petition indicates FiberLight will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the control of BidCo and its owners following the completion of the proposed Transfer.<sup>8</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Petitioners' Motion is moot, therefore, the Motion should be denied.<sup>9</sup>

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.
- (2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.
- (3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.
- (4) This case is dismissed.

<sup>1</sup> Morrison & Co Infrastructure Partnership GP S.a.r.l; The Morrison & Co Infrastructure Partnership Master Fund SCSp; Fiber MidCo LLC; Fiber TopCo LLC; Fiber HoldCo L.P; Fiber GP LLC; Fiber MCO L.P; Fiber MCO GP LLC; Australian Retirement Trust; Australian Retirement Trust Pty Ltd; Sunsuper Pooled Superannuation Trust; California State Teachers' Retirement; Golden Zuul, LLC; GoldenVinzClortho, LLC; and GVC Lumens Holdings, LLC; are also considered Petitioners in this proceeding and have provided the statutorily required verifications.

<sup>2</sup> Code § 56-88 *et seq.*

<sup>3</sup> 5 VAC 5-20-10 *et seq.*

<sup>4</sup> See *Application of FiberLight of Virginia, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2005-00084, 2005 S.C.C. Ann. Rept. 278, Final Order (Oct. 25, 2005).

<sup>5</sup> Application at 6.

<sup>6</sup> *Id.* at 7.

<sup>7</sup> *Id.*

<sup>8</sup> See, e.g., *id.* at 7, Exhibit B, and Exhibit G.

<sup>9</sup> The Commission has not received a request to review the confidential information submitted in this proceeding. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information, to which the Motion pertains, under seal.

**CASE NO. PUR-2022-00109  
JULY 26, 2022**

APPLICATION OF  
TENEBRIS FIBER, LLC

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

**ORDER CANCELLING CERTIFICATE**

On July 7, 2022, Tenebris Fiber, LLC ("Company") filed an application with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate") issued to the Company to provide local exchange telecommunications services in the Commonwealth of Virginia.<sup>1</sup> The Company states that it is not operating in Virginia, and requests the return of the Company's \$50,000 surety bond on file with the Commission.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-761 should be cancelled, that any tariffs on file associated with the certificates should be cancelled, and that the Company's surety bond should be released.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed as Case No. PUR-2022-00109.
- (2) Certificate No. T-761, issued to Tenebris Fiber, LLC to provide local exchange telecommunications services, is hereby cancelled.
- (3) Any tariffs on file with the Commission associated with Certificate No. T-761 are hereby cancelled.
- (4) The bond associated with Certificate No. T-761 is hereby released and shall be returned by the Commission's Division of Public Utility Regulation as requested.
- (5) This case is dismissed.

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<sup>1</sup> See *Tenebris Fiber, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2018-00136, 2019 S.C.C. Ann. Rept. 264, Final Order (Feb. 4, 2019) (granting Certificate No. T-761).

**CASE NO. PUR-2022-00112  
AUGUST 3, 2022**

APPLICATION OF  
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For approval pursuant to Title 56, Chapter 3 of the Virginia Code

**ORDER GRANTING AUTHORITY**

On July 11, 2022, Central Virginia Electric Cooperative ("CVEC" or the "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> to issue long-term debt in connection with loans from Rural Utilities Service ("RUS") and CoBank. The Cooperative has paid the requisite filing fee of \$250.

CVEC is seeking authority to borrow up to \$60 million in the aggregate from RUS and CoBank. The Cooperative states that the loan proceeds will be used to replace short-term bridge financing related to the Construction Work Plan ("CWP") and fund continued CWP costs for distribution plan construction and expansion. The Application states that the term of the loans will be 30 to 35 years, depending on the lender. The interest rates on loan borrowings from RUS will be equal to the Treasury's cost of money for similar debt instruments plus one-eighth of one percent. The interest rate on loan borrowings from CoBank is anticipated to be at market rates at the time of issuance.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

- (1) CVEC is authorized to issue long-term debt in connection with loans from RUS and CoBank in the aggregate amount of \$60 million, in the manner, under the terms and conditions, and for the purposes set forth in the Application.
- (2) Within thirty (30) days the date of any advance of funds from RUS or CoBank, CVEC shall submit to the Commission's Division of Utility Accounting and Finance a Report of Action, which shall include the amount of the advance and the interest rate.

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<sup>1</sup> Virginia Code § 56-55 *et seq.*

- (3) The authority granted herein shall have no implications for ratemaking purposes.
- (4) This case is dismissed.

**CASE NO. PUR-2022-00113**  
**SEPTEMBER 12, 2022**

APPLICATION OF  
AQUA VIRGINIA, INC.

For Approval of a Water and Wastewater Infrastructure Service Charge Plan and For Authority to Implement Water and Wastewater WWISC Riders

**ORDER NUNC PRO TUNC**

On August 15, 2022, Aqua Virginia, Inc. ("Aqua Virginia" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for approval of a water and wastewater infrastructure service charge plan ("WWISC Plan" or "Plan"), and for authority to implement water and wastewater WWISC riders ("Water WWISC Rider" and "Wastewater WWISC Rider;" collectively, "Riders") recovering costs of approved infrastructure replacement in a program substantively identical to the WWISC pilot program authorized by the Final Order entered October 19, 2018 in Case No. PUR-2017-00082<sup>1</sup> and the WWISC authorized in Case No. PUR-2019-00209.<sup>2</sup>

Through the Application, Aqua Virginia seeks approval for:

- 1) Recovery of a revenue requirement of approximately \$411,000 via the proposed Water WWISC Rider associated with approximately \$6,185,000<sup>3</sup> in WWISC-eligible water main replacement projects;<sup>4</sup>
- 2) Recovery of approximately \$148,000 in revenues via the proposed Wastewater WWISC Rider associated with approximately \$1,490,000 in WWISC-eligible wastewater infiltration and inflow ("I&I") projects;<sup>5</sup>
- 3) Aqua Virginia proposes a volumetric charge of \$0.3910 per 1,000 gallons of water used and \$0.5205 per 1,000 gallons of wastewater billed, to be applied across all customer classes and all bills rendered with an ending read date equal to or greater than the effective date of the Company's proposed WWISC tariff.<sup>6</sup> The true-up component of the proposed Riders is zero;<sup>7</sup> and
- 4) Aqua Virginia has requested to add to customer bills, the Company's new Water WWISC and Wastewater WWISC Riders, effective for the period from 120 days after filing of this Application until the filing of the Company's next WWISC proceeding or the effective date of interim base rates in its next base rate case, whichever comes first.<sup>8</sup>

The proposed WWISC projects include six main replacement projects and three wastewater system rehabilitation projects:

- Aqua Virginia's Twin Cedars system. Twin Cedars is a community of approximately 31 homes in Caroline County. This system experiences a main break rate of approximately 224 breaks per 100 miles per year and has a non-revenue water ("NRW") of 26%. The entire system is comprised of two-inch PVC mains. The proposed main replacement project will replace approximately 2,400 feet at a total project cost of \$280,000.<sup>9</sup>

<sup>1</sup> Application at 1. *See also, Application of Aqua Virginia, Inc. for an Increase in Rates*, Case No. PUR-2017-00082, 2018 S.C.C. Ann. Rept. 244, Final Order (Oct. 19, 2018).

<sup>2</sup> Application at 1. *See also, Application of Aqua Virginia, Inc. for Approval of a Water and Wastewater Infrastructure Service Charge Plan and for Authority to Implement Water and Wastewater WWISC Riders*, Case No. PUR-2019-00209, 2020 S.C.C. Ann. Rept. 379, Final Order (June 1, 2020).

<sup>3</sup> Application at 7; Direct Testimony of Richard F. Hale ("Hale Direct") at 4.

<sup>4</sup> Application at 7.

<sup>5</sup> Application at 7; Direct Testimony of Terry L. Blankenship ("Blankenship Direct") at Exhibit TLB-1.

<sup>6</sup> Hale Direct, Second Supplemented Exhibit RFH-1 at 1. The Company filed two supplements to Exhibit RFH-1. The First was filed in this docket on August 23, 2022, and per Aqua Virginia, added a missing first page. The second supplement ("Second Supplemented Exhibit RFH-1") was filed on August 25, 2022, included the first page added previously, and per the Company, *superseded* all prior RFH-1 filings. In both supplemental filings, however, the new page one was not numbered. For purposes of citation, the Commission will treat the Second Supplemental Exhibit RFH-1 as a six page tariff with the first page of the tariff (currently un-numbered) as page 1, and all following pages sequentially numbered thereafter through page 6. *See also*, Hale Direct at 4: "The Water WWISC and Wastewater WWISC Riders will be added to customer bills effective for the period from 120 days after filing of this Application."

<sup>7</sup> Application at 9; Hale Direct at 5.

<sup>8</sup> Hale Direct at 4.

<sup>9</sup> Blankenship Direct at 8.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- Aqua Virginia's Callao system. Callao serves a community of 134 homes in Northumberland County. The system experiences a main break rate of approximately 47 breaks per 100 miles per year. Of the 2.8 miles of distribution mains in the system, approximately 4% are asbestos cement and 46% are cast iron. The remaining distribution mains are PVC. The replacement of the asbestos cement and cast-iron mains requires approximately 8,570 feet of new mains and is estimated to cost \$895,000.<sup>10</sup>
- Aqua Virginia's White Stone system. White Stone is a town with approximately 276 connections in Lancaster County. The system experiences a main break rate of approximately 22 breaks per 100 miles per year and has a NRW of 31%. Of the six miles of distribution mains in the system, approximately 14% are asbestos cement and 35% are cast iron. The remaining distribution mains are PVC. The replacement of the asbestos cement and cast iron mains requires approximately 21,000 feet of new mains and is estimated to cost \$2,135,000.<sup>11</sup>
- Aqua Virginia's Foxwells system. Foxwells is a community of approximately 69 homes in Lancaster County. The system experiences a main break rate of approximately 71 breaks per 100 miles per year and has a NRW of 36%. Of the 3.3 miles of distribution mains in the system, approximately 54% are steel. The remaining distribution mains are PVC. The replacement of the steel mains requires approximately 8,030 feet of new mains and is estimated to cost \$760,000.<sup>12</sup>
- Aqua Virginia's Pelham Manor system. Pelham Manor is a community of approximately 71 homes in Culpeper County. The primary driver for this project is the main break rate of approximately 235 breaks per 100 miles per year. The project requires the replacement of approximately 8,350 feet of mains and is estimated to cost \$980,000.<sup>13</sup>
- Aqua Virginia's Lively system. Lively is a town with approximately 145 connections in Lancaster County. The system experiences a main break rate of approximately 38 breaks per 100 miles per year and has a NRW of 39%. Of the 3.5 miles of distribution mains in this system, approximately 52% are cast iron. The remaining mains are PVC. The replacement of the cast iron mains requires approximately 10,530 feet of new mains and is estimated to cost \$1,135,000.<sup>14</sup>
- Aqua Virginia's Lake Holiday wastewater system. Lake Holiday serves 976 customers in Frederick County. As of December 2021, the percent of I&I over the prior 12 months was approximately 18% and the peak day peaking factor was 4.9. While the percent I&I is within the desired range, the peak day peaking factor presents major challenges to operations and compliance. Peak day flows of this magnitude can overwhelm the capacity of both the collection system and the treatment facility. The proposed I&I projects will rehabilitate approximately 22,307 linear feet at a total projected cost of \$500,000.<sup>15</sup>
- Aqua Virginia's Lake Monticello wastewater system. Lake Monticello serves 4,921 customers in Fluvanna County. As of December 2021, the percent I&I over the prior 12 months was 24% and the peak day peaking factor was 2.4. The proposed I&I projects will rehabilitate approximately 13,430 linear feet at a total projected cost of \$750,000.<sup>16</sup>
- Aqua Virginia's Lake Land'Or wastewater system. Lake Land'Or serves 875 customers in Caroline County. As of December 2021, the percent I&I over the prior 12 months was approximately 38% and the peak day peaking factor was 2.8. The proposed I&I projects will rehabilitate approximately 7,855 linear feet at a total projected cost of \$240,000.<sup>17</sup>

If the Commission approves the proposed Riders, the monthly residential bill for an Aqua Virginia water customer using 4,000 gallons per month would increase, on average: for water service, by about 3.15% or \$1.56<sup>18</sup> and for wastewater service, by about 3.49% or \$2.08.<sup>19</sup>

The Company will calculate the WWISC Rider as follows:<sup>20</sup>

1. The Company will determine the eligible infrastructure replacement costs by rate schedule as defined below for the period the WWISC rider will apply.
2. The Company will estimate the water and wastewater sales by rate schedule for that period.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 8-9.

<sup>13</sup> *Id.* at 9.

<sup>14</sup> Blankenship Direct at 9.

<sup>15</sup> *Id.* at 13-14.

<sup>16</sup> *Id.* at 14.

<sup>17</sup> *Id.*

<sup>18</sup> Hale Direct at 7.

<sup>19</sup> *Id.*

<sup>20</sup> Hale Direct, Second Supplemented Exhibit RFH – 1 at 4.

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3. The Company will divide the eligible infrastructure replacement costs by the estimated water and wastewater sales to arrive at the WWISC Rider that shall be allocated in conformance with the revenue allocation approved by the Commission in Case No. PUR-2020-00106 by rate schedule.

On August 29, 2022, the Commission entered an Order for Notice and Hearing ("August 29, 2022 Order") in this proceeding. It has come to the Commission's attention that the August 29, 2022 Order did not address the Company's request for interim rates.<sup>21</sup> Accordingly, this Order *Nunc Pro Tunc* is meant to replace the August 29, 2022 Order in its entirety.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; Aqua Virginia should provide public notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; interested persons should have an opportunity to file comments on the Application or to participate as respondents in this proceeding; and that the Commission Staff ("Staff") should be directed to investigate the Application 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 and file a final report containing the Hearing Examiner's findings and recommendations.<sup>22</sup>

The Commission further finds that Aqua Virginia's request for interim rate approval is granted in part and denied in part. The Company's request to implement its Water and Wastewater WWISC Riders "on or after November 12, 2022" on an interim basis is denied because, while the Application was filed on July 15, 2022, it was not completed until August 15, 2022. The Commission, however, finds that Aqua Virginia may, on an interim basis and subject to refund and interest, begin charging customers for its proposed WWISC Riders for billings made on or after December 13, 2022, which is 120 days from the completion of its Application. The Company is on express notice that the Commission may adjust such WWISC rates based on the final outcome of these proceedings.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.<sup>23</sup> Consistent with these actions, 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.

We note that the proposed WWISC, if approved, would result in an increase to customer bills. The Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

Accordingly, IT IS ORDERED THAT:

- (1) This Order *Nunc Pro Tunc* hereby replaces the August 29, 2022 Order in its entirety.
- (2) This matter is docketed and assigned Case No. PUR-2022-00113.
- (3) All pleadings in this matter shall 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").<sup>24</sup> 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.<sup>25</sup>

<sup>21</sup> Hale Direct at 4: "The Water WWISC and Wastewater WWISC Riders will be added to customer bills effective for the period from 120 days after filing of this Application until the filing of the Company's next WWISC proceeding or the effective date of interim base rates in its next base rate case, whichever comes first." See also, Hale Direct, Second Supplemented Exhibit RFH – 1 at 3: "The WWISC Riders shall be applied to bills rendered on or after November 12, 2022."

<sup>22</sup> The Commission notes that Case No. PUR-2021-00158, dealing with *inter alia*, potential refunds related to the prior WWISC riders, has been assigned to the Hearing Examiner in this matter to make findings and recommendations pertaining to Case No. PUR-2021-00158. *Application of Aqua Virginia, Inc., For an Annual Informational Filing*, PUR-2021-00158, Doc. Con. Cen. No. 220910057, Order at 3 (Sept. 6, 2022).

<sup>23</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), extended by 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), extended by 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

<sup>24</sup> 5 VAC 5-20-10 *et seq.*

<sup>25</sup> As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(4) 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 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.

(5) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedures before Hearing Examiners*, of the Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report. 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.<sup>26</sup>

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

- (a) A hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on January 25, 2023, with no witness present in the Commission's courtroom.<sup>27</sup>
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before January 18, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m., on January 25, 2023, the Commission 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.
- (e) This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

(7) A hearing on the Application shall be convened at 10 a.m., immediately following the public witness hearing on January 25, 2023, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony and evidence of the Company, any respondents, and the Staff.

(8) An electronic copy of the public version of the Company's Application may be obtained by submitting a written request to counsel for the Company, John K. Byrum, Esquire, Woods Rogers Vandevanter Black, Riverfront Plaza, West Tower, 901 East Byrd Street, Suite 1550, Richmond, Virginia 23219, (804) 343-5027, [jbyrum@woodsrogers.com](mailto:jbyrum@woodsrogers.com). Interested persons may also download unofficial copies of the Company's Application from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(9) On or before September 28, 2022, the Company, in accordance with Code § 56-237.1 A, 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:

<sup>26</sup> Such electronic copies shall be sent to: [Wendy.Starkey@scc.virginia.gov](mailto:Wendy.Starkey@scc.virginia.gov) and [LeaAnn.Robertson@scc.virginia.gov](mailto:LeaAnn.Robertson@scc.virginia.gov).

<sup>27</sup> The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
AQUA VIRGINIA, INC.  
FOR APPROVAL OF A WATER AND WASTEWATER  
INFRASTRUCTURE SERVICE CHARGE PLAN AND  
FOR AUTHORITY TO IMPLEMENT WATER AND  
WASTEWATER WWISC RIDERS  
CASE NO. PUR-2022-00113

- Aqua Virginia Inc. has applied for approval of Water and Wastewater Infrastructure Service Charge ("WWISC") Plan and For Authority to Implement Water and Wastewater WWISC Riders.
- Aqua Virginia seeks to recover a revenue requirement of approximately \$411,000 via the proposed WWISC Water Rider associated with approximately \$6,185,000 in WWISC-eligible water main replacement projects.
- Aqua Virginia further seeks to recover approximately \$148,000 in revenues via the proposed Wastewater WWISC Rider associated with approximately \$1,490,000 in WWISC-eligible wastewater projects.
- A Hearing Examiner appointed by the Commission will hold a telephonic hearing in this case on January 25, 2023, at 10 a.m., for the receipt of public witness testimony.
- The Hearing Examiner will hold an evidentiary hearing in this case on January 25, 2023, at 10 a.m., immediately following the public witness hearing, 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 State Corporation Commission's website at: [scc.virginia.gov/case](http://scc.virginia.gov/case).

On August 15, 2022, Aqua Virginia, Inc. ("Aqua Virginia" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") for approval of a water and wastewater infrastructure service charge plan ("WWISC Plan" or "Plan"), and for authority to implement water and wastewater WWISC riders ("Water WWISC Rider" and "Wastewater WWISC Rider;" collectively, "Riders") recovering costs of approved infrastructure replacement in a program substantively identical to the WWISC pilot program authorized by the Final Order entered October 19, 2018 in Case No. PUR-2017-00082 and the WWISC authorized in Case No. PUR-2019-00209.

Through the Application, Aqua Virginia seeks approval for:

- 1) Recovery of a revenue requirement of approximately \$411,000 via the proposed Water WWISC Rider associated with approximately \$6,185,000 in WWISC-eligible water main replacement projects;
- 2) Recovery of approximately \$148,000 in revenues via the proposed Wastewater WWISC Rider associated with approximately \$1,490,000 in WWISC-eligible wastewater infiltration and inflow ("I&I") projects;
- 3) Aqua Virginia proposes a volumetric charge of \$0.3910 per 1,000 gallons of water used and \$0.5205 per 1,000 gallons of wastewater billed, to be applied across all customer classes and all bills rendered with an ending read date equal to or greater than the effective date of the Company's proposed WWISC tariff. The true-up component of the proposed Riders is zero; and
- 4) Aqua Virginia has requested to add to customer bills, the Company's new Water WWISC and Wastewater WWISC Riders, effective for the period from 120 days after filing of this Application until the filing of the Company's next WWISC proceeding or the effective date of interim base rates in its next base rate case, whichever comes first.

The proposed WWISC projects include six main replacement projects and three wastewater system rehabilitation projects:

- Aqua Virginia's Twin Cedars system. Twin Cedars is a community of approximately 31 homes in Caroline County. This system experiences a main break rate of approximately 224 breaks per 100 miles per year and has a non-revenue water ("NRW") of 26%. The entire system is comprised of two-inch PVC mains. The proposed main replacement project will replace approximately 2,400 feet at a total project cost of \$280,000.
- Aqua Virginia's Callao system. Callao serves a community of 134 homes in Northumberland County. The system experiences a main break rate of approximately 47 breaks per 100 miles per year. Of the 2.8 miles of distribution mains in the system, approximately 4% are asbestos cement and 46% are cast iron. The remaining distribution mains are PVC. The replacement of the asbestos cement and cast-iron mains requires approximately 8,570 feet of new mains and is estimated to cost \$895,000.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- Aqua Virginia's White Stone system. White Stone is a town with approximately 276 connections in Lancaster County. The system experiences a main break rate of approximately 22 breaks per 100 miles per year and has a NRW of 31%. Of the six miles of distribution mains in the system, approximately 14% are asbestos cement and 35% are cast iron. The remaining distribution mains are PVC. The replacement of the asbestos cement and cast iron mains requires approximately 21,000 feet of new mains and is estimated to cost \$2,135,000.
- Aqua Virginia's Foxwells system. Foxwells is a community of approximately 69 homes in Lancaster County. The system experiences a main break rate of approximately 71 breaks per 100 miles per year and has a NRW of 36%. Of the 3.3 miles of distribution mains in the system, approximately 54% are steel. The remaining distribution mains are PVC. The replacement of the steel mains requires approximately 8,030 feet of new mains and is estimated to cost \$760,000.
- Aqua Virginia's Pelham Manor system. Pelham Manor is a community of approximately 71 homes in Culpeper County. The primary driver for this project is the main break rate of approximately 235 breaks per 100 miles per year. The project requires the replacement of approximately 8,350 feet of mains and is estimated to cost \$980,000.
- Aqua Virginia's Lively system. Lively is a town with approximately 145 connections in Lancaster County. The system experiences a main break rate of approximately 38 breaks per 100 miles per year and has a NRW of 39%. Of the 3.5 miles of distribution mains in this system, approximately 52% are cast iron. The remaining mains are PVC. The replacement of the cast iron mains requires approximately 10,530 feet of new mains and is estimated to cost \$1,135,000.
- Aqua Virginia's Lake Holiday wastewater system. Lake Holiday serves 976 customers in Frederick County. As of December 2021, the percent of I&I over the prior 12 months was approximately 18% and the peak day peaking factor was 4.9. While the percent I&I is within the desired range, the peak day peaking factor presents major challenges to operations and compliance. Peak day flows of this magnitude can overwhelm the capacity of both the collection system and the treatment facility. The proposed I&I projects will rehabilitate approximately 22,307 linear feet at a total projected cost of \$500,000.
- Aqua Virginia's Lake Monticello wastewater system. Lake Monticello serves 4,921 customers in Fluvanna County. As of December 2021, the percent I&I over the prior 12 months was 24% and the peak day peaking factor was 2.4. The proposed I&I projects will rehabilitate approximately 13,430 linear feet at a total projected cost of \$750,000.
- Aqua Virginia's Lake Land'Or wastewater system. Lake Land'Or serves 875 customers in Caroline County. As of December 2021, the percent I&I over the prior 12 months was approximately 38% and the peak day peaking factor was 2.8. The proposed I&I projects will rehabilitate approximately 7,855 linear feet at a total projected cost of \$240,000.

If the Commission approves the proposed Riders, the monthly residential bill for an Aqua Virginia water customer using 4,000 gallons per month would increase, on average: for water service, by about 3.15% or \$1.56 and for wastewater service, by about 3.49% or \$2.08. The Company will calculate the WWISC Rider as follows:

1. The Company will determine the eligible infrastructure replacement costs by rate schedule as defined below for the period the WWISC rider will apply.
2. The Company will estimate the water and wastewater sales by rate schedule for that period.
3. The Company will divide the eligible infrastructure replacement costs by the estimated water and wastewater sales to arrive at the WWISC Rider that shall be allocated in conformance with the revenue allocation approved by the Commission in Case No. PUR-2020-00106 by rate schedule.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

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

Per the Company's request for interim rates, the Commission granted the Company authority to begin charging customers for its proposed WWISC Riders on an interim basis and subject to refund and interest for billings made on or after December 13, 2022, and has done so with express notice that the Commission may adjust such WWISC rates based on the final outcome of these proceedings.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled public hearings on the Company's Application. On January 25, 2023, the Commission 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 January 18, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

On January 25, 2023, 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 at 10:00 a.m., immediately following the public witness hearing, to receive testimony and evidence related to the Application from Aqua Virginia, any respondents, and the Commission's Staff.

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.* 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.

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

An electronic copy of the public version of the Company's Application may be obtained by submitting a written request to counsel for the Company, John K. Byrum, Esquire, Woods Rogers Vandevanter Black, Riverfront Plaza, West Tower, 901 East Byrd Street, Suite 1550, Richmond, Virginia 23219, (804) 343-5027, [jbyrum@woodsrogers.com](mailto:jbyrum@woodsrogers.com). Interested persons may also download unofficial copies of the Company's Application from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

On or before January 18, 2023, any interested person may submit comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://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 with 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-2022-00113.

On or before October 28, 2022, 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](http://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. 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 Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00113.

On or before November 30, 2022, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling](http://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 listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Company, Staff, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00113.

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 Rules of Practice.

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

AQUA VIRGINIA, INC.

(10) On or before September 28, 2022, Aqua Virginia shall serve a copy of this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town through which the Project is proposed to be built: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(11) On or before September 28, 2022, Aqua Virginia shall serve a copy of the notice prescribed in Ordering Paragraph (9) of this Order directly on the Company's customers in accordance with the provisions of Code § 56-237.1 B. Service shall either be made by first class mail to the customary place of business or residence of the person served or may be included as a prominent and legible bill insert in each customer's respective bill. For those customers who have expressly approved service of bills and other correspondence by electronic means, the notice prescribed in Ordering Paragraph (9) of this Order may be sent electronically.

(12) On or before October 19, 2022, the Applicant shall file proof of the notice and service required by Ordering Paragraphs (9), (10) and (11) above, including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the Commission at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling).

(13) On or before January 18, 2023, any interested person may submit comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://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-2022-00113.

(14) On or before October 28, 2022, 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](http://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. The respondent simultaneously shall serve a copy of the notice of participation on counsel for Aqua Virginia. 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-2022-00113.

(15) Within five (5) business days of receipt of a notice of participation as a respondent, Applicant shall serve upon the respondent a copy of the Application and supporting materials, unless these materials already have been provided to the respondent.

(16) On or before November 30, 2022, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling](http://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 listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Staff, the Applicant, and all other respondents simultaneous with its filing. In all filings, respondents shall comply with the Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00113.

(17) The Staff shall investigate the Application. On or before December 14, 2022, the Staff shall file with the Clerk of the Commission its testimony and exhibits, and each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel for Aqua Virginia and all respondents.

(18) On or before January 11, 2023, Aqua Virginia 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 its rebuttal testimony and exhibits on the Staff and all respondents.

(19) All 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.

(20) 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.<sup>28</sup> 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.*

(21) Aqua Virginia's request for interim rate approval is granted in part and denied in part. The Company's request to implement its interim water and wastewater WWISC Riders "on or after November 12, 2022" is denied. However, Aqua Virginia may, on an interim basis and subject to refund and interest, begin charging customers for its proposed WWISC Riders for billings made on or after December 13, 2022.

(22) This matter is continued.

<sup>28</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00113, in the appropriate box.

**CASE NO. PUR-2022-00115  
OCTOBER 17, 2022**

APPLICATION OF  
VIRGINIA NATURAL GAS, INC.

For approval of its 2022 SAVE Rider Update

**ORDER GRANTING APPROVAL**

On August 1, 2022, Virginia Natural Gas, Inc. ("VNG" or the "Company") filed an Application ("Application") pursuant to § 56-604 E of the Code of Virginia ("Code") with the State Corporation Commission ("Commission"). VNG requests approval of its 2022 annual rider update filing for its Steps to Advance Virginia's Energy Plan ("SAVE Plan")<sup>1</sup>, under which VNG's SAVE Rider, designated Rider E, is reconciled and adjusted ("2022 Annual Update")<sup>2</sup>.

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure.<sup>3</sup> Rider E is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan.<sup>4</sup> VNG states that the calculation of the revenue requirement and rates associated with Rider E consist of two components: the SAVE Actual Cost Adjustment ("SACA") and the Annual SAVE Factor ("ASF"), which were approved by the Commission in its 2012 SAVE Order.<sup>5</sup>

According to the Company, the SACA is an adjustment that ensures that the SAVE Rider recovers no more or less than the actual cost of implementing the SAVE Plan projects during the prior calendar year.<sup>6</sup> Based on this calculation, the Company is proposing a SACA adjustment for the upcoming rate period of January 1, 2023 through December 31, 2023 of \$581,151.<sup>7</sup>

The Company states that the ASF is the calculation of the revenue requirement related to the cumulative SAVE Plan infrastructure investment through the period for which the currently planned SAVE Rider will be in effect, January 1, 2023 through December 31, 2023.<sup>8</sup> Based on this calculation, the ASF for the upcoming rate period is \$3,618,129.<sup>9</sup>

Combining the ASF of \$3,618,129 and the SACA of \$581,151 the Company calculates a SAVE Rider revenue requirement of \$4,199,280 for the rate period of January 1, 2023 through December 31, 2023.<sup>10</sup>

According to VNG, its 2021 SAVE Rider Rate is approved through October 31, 2022.<sup>11</sup> The Company requests a two-month extension of its 2021 SAVE Rider Rate (through December 31, 2022) to "facilitate concurrent implementation" of the 2022 SAVE Rider Rate, proposed in this Application, with the Company's proposed rates and charges in its 2022 Rate Case filing,<sup>12</sup> filed August 1, 2022, in a separate docket. In that docket, the Commission has authorized VNG to implement its proposed rates, on an interim basis, subject to refund with interest, for service rendered on and after January 1, 2023.<sup>13</sup> VNG states the following with regard to its 2022 Rate Case filing:

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<sup>1</sup> Code § 56-603 *et seq.*

<sup>2</sup> Application at 1.

<sup>3</sup> *Id.* at 3.

<sup>4</sup> *Id.*

<sup>5</sup> Application at 9. *See also Application of Virginia Natural Gas, Inc., For approval of a SAVE plan and rider as provided by Virginia Code § 56-604, Case No. PUE-2012-00012, 2012 S.C.C. Ann. Rept. 393, Order Approving SAVE Plan and Rider (June 25, 2012).*

<sup>6</sup> Application at 9.

<sup>7</sup> *Id.* at 10.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Application of Virginia Natural Gas, Inc. For approval of its 2021 SAVE Rider Update, Case No. PUR-2021-00157, 2021 S.C.C. Ann. Rept. 530, Order Granting Approval (Oct. 25, 2021).*

<sup>12</sup> Application at 8. *See Application of Virginia Natural Gas, Inc., For a general rate increase and for authority to revise its terms and conditions applicable to natural gas service, Case No. PUR-2022-00052, Doc. Con. Cen. No. 220810100, Application (Aug. 1, 2022) ("2022 Rate Case filing").*

<sup>13</sup> *Application of Virginia Natural Gas, Inc., For a general rate increase and for authority to revise its terms and conditions applicable to natural gas service, Case No. PUR-2022-00052, Doc. Con. Cen. No. 220910027, Order for Notice and Hearing at 5 (Sep. 2, 2022).*

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The proposed rates and charges include in rate base the cumulative SAVE capital investment through December 31, 2022. Because the rates proposed in the 2022 Rate Case incorporate eligible infrastructure replacement costs incurred prior to December 31, 2022, the SAVE Rider rate base will be reset to zero as of January 1, 2023.<sup>14</sup>

On August 17, 2022, the Commission issued an Order for Notice and Comment in this docket that, among other things, required the Company to publish notice of its Application; provided interested persons an opportunity to file comments, participate as a respondent, or request a hearing; required the Staff of the Commission ("Staff") to investigate the Application and file a report ("Staff Report" or "Report") containing its findings and recommendations; and permitted the Company to file a response to the Staff Report ("Response").

On August 30, 2022, VNG served and published notice of this case in accordance with the August 17, 2022 Order. Thereafter, no comments, requests for hearing, or notices of participation were filed with the Commission.

On September 23, 2022, Staff filed its Staff Report wherein, after review and analysis, Staff recommended approval of the 2022 SAVE Rider for VNG, to be effective January 1, 2023, through December 31, 2023, based on the following revenue requirements: a True-Up Revenue Requirement (SACA) of \$584,366, a Projected Factor Revenue Requirement (ASF) of \$3,611,102, and a Total 2022 SAVE Revenue Requirement of \$4,195,468.<sup>15</sup> Per Staff, its proposed revenue requirement is \$3,812 less than the \$4,199,280 requested in the Company's Application and contained in the public notice for the reasons set forth in the Staff Report.<sup>16</sup> Additionally, Staff does not oppose VNG's requested 2-month extension of the current 2021 Rider E through December 31, 2022.<sup>17</sup>

On September 30, 2022, VNG filed a response letter ("Response") in lieu of Reply Comments to the Staff Report. Notwithstanding certain concerns with the Staff Report, VNG's Response states that it does not object to the conclusions and recommendations of the Staff Report for purposes of this proceeding and requests that the Commission approve its Application.<sup>18</sup>

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that VNG's 2021 SAVE Rider extension request (through December 31, 2022) and its SAVE Rider E Revenue Requirement and rates for the January 1, 2023 to December 31, 2023 rate year should be approved as recommended by Staff and not objected to by the Company. As a result, the revenue requirement approved herein shall be \$4,195,468.

In granting this approval, the Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to this case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application, as modified herein, is approved. Rates consistent with this Order shall become effective beginning January 1, 2023 and shall remain in effect until December 31, 2023.

(2) VNG's unopposed request for a two-month extension of its 2021 SAVE Rider Rate (from October 31, 2022 through December 31, 2022) to "facilitate concurrent implementation" of the 2022 SAVE Rider Rate, proposed in this Application, with the Company's proposed rates and charges in its 2022 Rate Case filing is hereby approved.

(3) VNG forthwith shall file, with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, revised tariffs for the SAVE Rider and all workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order.

(4) VNG shall file its next SAVE Rider update on or before October 1, 2023.

(5) This matter is dismissed.

<sup>14</sup> Application at 8. *See also, e.g.*, 2022 Rate Case filing at 3 ("VNG is proposing to include recovery of cumulative SAVE investment through December 31, 2022 in base rates . . .").

<sup>15</sup> Staff Report at 14.

<sup>16</sup> *Id.* at 3-5.

<sup>17</sup> *Id.* at 3.

<sup>18</sup> Response at 2.

**CASE NO. PUR-2022-00116  
AUGUST 15, 2022**

PETITION OF  
VIRGINIA NATURAL GAS, INC.

For a limited waiver of tariff provisions and for expedited consideration

**ORDER GRANTING WAIVER**

On July 20, 2022, Virginia Natural Gas, Inc. ("VNG" or "Company"), pursuant to Rules 80 and 110 of the State Corporation Commission's ("Commission") Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, filed the Petition of Virginia Natural Gas, Inc. for Limited Waiver of In-Service Periodic Testing Plan and for Expedited Consideration relative to a temporary suspension of the Company's In-Service Periodic Testing Plan ("IPTP") for the duration of the calendar year ("Petition").<sup>1</sup>

In its Petition, VNG seeks a limited waiver of Section XV of the Company's Terms and Conditions ("Tariff"), which requires, in relevant part, that VNG "shall test meters based on a periodic testing program with meters and instruments being tested on a regular basis or, alternatively, the number of meters tested in any year may be determined by an In-Service Performance Testing Plan acceptable to the Commission."<sup>2</sup> VNG states that it utilizes the IPTP that was approved by the Commission in 1998 to satisfy this requirement of the Tariff.<sup>3</sup> VNG further states that its IPTP facilitates an annual random meter sampling, "which is designed to provide a cost-effective and efficient means of ensuring that meters are tested regularly and maintained in accordance with industry standards."<sup>4</sup> Under the IPTP, meters are primarily tested to ensure their accuracy. VNG explains that, under the IPTP, all residential meters are entered into a pool from which a 2% random sample is selected for testing.<sup>5</sup>

In support of VNG's request for the limited waiver of Section XV of its Tariff, the Company asserts that its operations have been materially impacted by the global supply chain disruptions and economic disturbances associated with the COVID-19 pandemic.<sup>6</sup> VNG states that it has worked to address these issues, but it still faces significant shortages that impact its ability to execute the meter testing program in accordance with the requirements of the Tariff and IPTP.<sup>7</sup>

The Company asserts that its procurement of residential and commercial meters has been impeded by national materials shortages, and further explains that shortages and logistics issues are compounded because operators across the country are competing to procure materials from an increasingly limited pool of suppliers.<sup>8</sup> The Company states that, due to these circumstances, it has encountered significant difficulty in obtaining enough meters in a sufficiently expeditious manner to continue its operations under the IPTP.<sup>9</sup> The Company asserts that it has, to the best of its ability, adapted to these challenges while maintaining safety as its top priority, but its remediation measures have negative implications for its customer base.<sup>10</sup> Specifically, the Company represents that certain SAVE<sup>11</sup> pipeline renewal projects have been delayed as the Company has diverted resources to its IPTP operations.<sup>12</sup> In addition, the Company represents that many new customers have experienced extended delays receiving gas service, and general meter replacement operations have been impacted as the Company has focused on replacement of non-functioning and leaking meters to ensure continued safety for customers.<sup>13</sup>

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<sup>1</sup> Petition at 1.

<sup>2</sup> *Id.* at 3.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* In addition to the 2% sample, all of the meters tested two years before the current sampling that were found to be defective (as defined in the IPTP terms at that time) are put into a pool and 30% of these are selected for retesting. *Id.* The Company explains that this process is repeated each year. *Id.* at 4.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 4-5.

<sup>11</sup> Steps to Advance Virginia's Energy Plan (Save) Act, § 55-603 *et seq.* of the Code of Virginia.

<sup>12</sup> Petition at 5.

<sup>13</sup> *Id.*

The Company anticipates that the current supply chain issues facing the gas utility material industry will be largely resolved in 2023.<sup>14</sup> Therefore, the Company seeks a limited waiver of Section XV of its Tariff to temporarily modify the terms of the IPTP to allow it to suspend its meter testing operations for the duration of calendar year 2022 and to resume sampling in 2023.<sup>15</sup> The Company represents that it would, for the duration of 2022, continue to replace meters that are broken or otherwise defective, as well as those meters that are ten years old or older that are identified in the field.<sup>16</sup>

The Company asserts that it is "committed to closing the gap in meter testing that would be created by suspending meter testing in 2022."<sup>17</sup> The Company, therefore, proposes to increase the percentage of total meters sampled in 2024 by 50%—from 2% to 3%.<sup>18</sup> The Company further proposes that it would revert to the original sampling formula in 2025.<sup>19</sup>

VNG asserts that its Petition is in the public interest, "as suspending 2022 meter testing under the IPTP would best equip VNG to respond to meter emergencies and related safety issues, permit timely replacement of non-functioning meters, make progress on 2022 SAVE pipeline replacement projects, and serve customers with minimal delay."<sup>20</sup>

NOW THE COMMISSION, upon consideration of this matter and being advised by its Staff, is of the opinion and finds that the Company's request for a limited waiver of Section XV of its Tariff to temporarily suspend its IPTP for the duration of calendar year 2022 is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2022-00116.
- (2) The Company's request for a limited waiver of Section XV of its Tariff to temporarily suspend the IPTP for calendar year 2022 is granted.
- (3) The Company shall continue to replace meters that are broken or otherwise defective, as well as those ten years older that are identified in the field, for the duration of calendar year 2022.
- (4) The Company shall increase the percentage of total meters sampled in calendar year 2024 to 3%.
- (5) VNG is permitted to amend its IPTP calculation methodology for calendar year 2024 to reflect the temporary suspension of the IPTP for calendar year 2022.
- (6) This case is dismissed.

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<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 6.

<sup>20</sup> *Id.*

**CASE NO. PUR-2022-00119  
SEPTEMBER 2, 2022**

APPLICATION OF  
COMCAST BUSINESS COMMUNICATIONS OF VIRGINIA, LLC

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

**ORDER CANCELLING CERTIFICATE**

On July 25, 2022, Comcast Business Communications of Virginia, LLC ("Company") filed an application with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate") issued to the Company to provide local exchange telecommunications services in the Commonwealth of Virginia.<sup>1</sup> The Company states that it has no customers; has been dormant for several years; and that cancellation of Certificate No. T-546 will have no effect on any customers.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-546 should be cancelled, and that any tariffs on file associated with the Certificate should be cancelled.

Accordingly, IT IS ORDERED THAT:

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<sup>1</sup> See *Comcast Business Communications of Virginia, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2000-00294, 2001 S.C.C. Ann. Rept. 287, Final Order (Mar. 23, 2001) (Granting Certificate No. T-546).



- (1) This matter is docketed as Case No. PUR-2022-00119.
- (2) Certificate No. T-546, issued to Comcast Business Communications of Virginia, LLC, to provide local exchange telecommunications services, is hereby cancelled.
- (3) Any tariffs on file with the Commission associated with Certificate No. T-546 are hereby cancelled.
- (4) This case is dismissed.

**CASE NO. PUR-2022-00126  
NOVEMBER 1, 2022**

APPLICATION OF  
COLUMBIA GAS OF VIRGINIA, INC.

For approval to implement a 2023 SAVE Rider in accordance with Section 20 of its General Terms and Conditions

**ORDER APPROVING SAVE RIDER**

On August 15, 2022, Columbia Gas of Virginia, Inc. ("CVA" or the "Company"), filed an application ("Application") in accordance with Section 20 of its General Terms and Conditions, as contemplated in the State Corporation Commission's ("Commission") November 28, 2011 Order Approving SAVE<sup>1</sup> Plan and Rider in Case No. PUE-2011-00049<sup>2</sup> and as most recently modified in Case No. PUR-2021-00145,<sup>3</sup> for approval to implement a SAVE Rider<sup>4</sup> for calendar year 2023 ("Rate Year").<sup>5</sup>

On August 30, 2022, the Commission entered an Order for Notice and Comment which, among other things, provided interested persons the opportunity to file comments, requests for hearing, and notices of participation in this case; required the Commission's Staff ("Staff") to file a report ("Staff Report" or "Report"); and permitted the Company to respond to the Staff Report, any comments, or requests for hearing. No comments, notices of participation, or requests for hearing were filed in this proceeding.

The Staff filed its Report on October 11, 2022. In its Report, Staff recommended a SAVE Rider revenue requirement of \$3,876,280 for the Rate Year beginning with the first billing unit of January 2023, which comprises a True-Up Factor revenue requirement of (\$460,243) and a Projected Factor of \$4,336,523.<sup>6</sup> According to Staff, the primary difference between the Company and Staff's proposed revenue requirement is due to updated actual and forecasted SAVE investment.<sup>7</sup> Staff also recommended recognizing the deferred tax impact in calculating carrying charges, which decreased the True-Up Factor revenue requirement.<sup>8</sup>

<sup>1</sup> See Va. Code ("Code") § 56-603 *et. seq.*, Steps to Advance Virginia's Energy Plan ("SAVE") Act.

<sup>2</sup> Application at 1 (*citing Application of Columbia Gas of Virginia, Inc., For approval of a SAVE Plan and rider as provided by Virginia Code § 56-604*, Case No. PUE-2011-00049, 2011 S.C.C. Ann. Rept. 534, Order Approving SAVE Plan and Rider (Nov. 28, 2011)).

<sup>3</sup> Application at 1 (*citing Application of Columbia Gas of Virginia, Inc., For approval to amend and extend its SAVE Plan pursuant to Virginia Code § 56-604, and for approval to implement a 2022 SAVE Plan Rider in accordance with Section 20 of its General Terms and Conditions*, Case No. PUR-2021-00145, 2021 S.C.C. Ann. Rept. 520, Order Approving SAVE Rider (Dec. 6, 2021)).

<sup>4</sup> Application at 1 (*noting the SAVE Rider and its components were approved by the Commission in CVA's original SAVE Plan, citing Application of Columbia Gas of Virginia, Inc. For approval of a SAVE Plan and rider as provided by Virginia Code § 56-604*, Case No. PUE-2011-00049, 2011 S.C.C. Ann. Rept. 534, Order Approving SAVE Plan and Rider (Nov. 28, 2011)).

<sup>5</sup> Application at 1.

<sup>6</sup> Staff Report at 2, 12.

<sup>7</sup> *Id.* at 2.

<sup>8</sup> *Id.* at 5-6.

CVA filed a response letter ("Response") to the Staff Report on October 18, 2022. CVA noted it did not oppose including deferred taxes on the over/under recovery balance.<sup>9</sup> However, CVA indicated it was appropriate to recompute the deferred taxes on the over/under recovery balanced based on its statutory tax rate, resulting in a True-Up Factor revenue requirement of (\$468,339).<sup>10</sup> Regarding the Projected Factor, the Company stated that it discovered an error in both the Company's and Staff's Schedule 12b where the Total Depreciation Expense for each account contained a formula that summed the entire calendar year 2022.<sup>11</sup> The Company stated that the formula should instead only sum October-December 2022 and that said revision results in an increase to the Projected Factor revenue requirement of approximately \$161,000.<sup>12</sup> Further, CVA states that it has been authorized to represent that Commission Staff is agreeable to this revision.<sup>13</sup> As a result of the discussed revisions, the Company recommended a True-Up Factor revenue requirement of (\$468,339), a Projected Factor revenue requirement of \$4,497,413, and a total revenue requirement of \$4,029,074.<sup>14</sup>

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Company's Application should be approved as set forth herein. The Commission approves a True-Up Factor revenue requirement of (\$468,339), a Projected Factor revenue requirement of \$4,497,413, and a total revenue requirement of \$4,029,074, to be effective with the first billing unit of January 2023.

In granting this approval, the Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to this case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

(1) CVA's SAVE Rider is approved with a True-Up Factor revenue requirement of (\$468,339), a Projected Factor revenue requirement of \$4,497,413, and a total revenue requirement of \$4,029,074.

(2) Rates consistent with this Order shall become effective with the first billing unit of January 2023 and shall remain in effect until December 31, 2023.

(3) CVA forthwith shall file, with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, revised tariffs and terms and conditions of service for its SAVE Rider with workpapers supporting the revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order.

(4) CVA shall file its next SAVE Rider update on or before October 2, 2023.

(5) This matter is dismissed.

<sup>9</sup> Response at 1-2.

<sup>10</sup> *Id.* at 2.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

**CASE NO. PUR-2022-00130  
SEPTEMBER 22, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to establish a credit facility under Chapters 3 and 4, Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On August 12, 2022, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV" or the "Company") completed an application ("Application") with the State Corporation Commission ("Commission") under Chapters 3<sup>1</sup> and 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code") for authority to amend its currently authorized \$6 billion, five-year syndicated revolving credit facility ("Existing Core Credit Facility") with its parent, Dominion Energy, Inc.,<sup>3 4</sup> to reflect the transition from the London Inter-Bank Offered Rate ("LIBOR"), the currently authorized interest rate, to an

<sup>1</sup> Va. Code § 56-55 *et seq.*

<sup>2</sup> Va. Code § 56-76 *et seq.*

<sup>3</sup> See *Application of Virginia Electric and Power Company, For authority to establish a credit facility under Chapters 3 and 4, Title 56 of the Code of Virginia*, Case No. PUR-2021-00091, 2021 S.C.C. Ann. Rept. 477, Order Granting Approval (June 2, 2021).

<sup>4</sup> The credit facilities also include Dominion Energy South Carolina, Inc. (formerly known as South Carolina Electric & Gas Company), and Questar Gas Company.

alternative, the Term Secured Overnight Financing Rate ("Term SOFR") ("Amended Core Credit Facility") before LIBOR's formal cessation in June 2023. The credit facilities are used to provide letters of credit and liquidity to support commercial paper programs and other short-term type securities. The Company paid the requisite fee of \$250.

The Company expects the required lenders to consent to the amendment at no cost.

Each loan under the Amended Core Credit Facility will bear interest at a formulaic rate based on either JPMorgan Chase's prime rate, the Federal Reserve Bank of New York's overnight rate, or Term SOFR.<sup>5</sup>

The Company also stated that if another borrower defaulted, DEV would still have access to its portion of the Amended Core Credit Facility. The Amended Core Credit Facility will maintain the same maturity date of the Existing Core Credit Facility.<sup>6</sup>

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application is in the public interest.

Accordingly, IT IS ORDERED THAT:

(1) DEV is authorized to implement the Amended Core Credit Facility subject to certain conditions outlined in the Appendix attached to this order.

(2) This case is continued.

<sup>5</sup> The formulaic rates are presented in Staff's Action Brief.

<sup>6</sup> The Existing Core Credit Facility has a term of five years with the option to extend the facility for two one-year periods.

#### APPENDIX

1. Separate Commission approval shall be required for any changes in the terms and conditions of the Amended Core Credit Facility.
2. The Commission's approval shall have no accounting or ratemaking implications.
3. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code § 56-76 *et seq.* hereafter.
4. The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.
5. The Company shall file with the Commission a signed and executed copy of the Amended Credit Core Facility within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Director of the Commission's Division of Utility Accounting and Finance.
6. The Company shall notify the Commission within ten days of any reallocation of the sublimits authorized herein.
7. On or before January 31 of each year the Amended Core Credit Facility is active, the Company shall file a report detailing the use of the Amended Core Credit Facility for the previous year, which should include the date, amount, and applicable interest rate of each loan under the Amended Core Credit Facility.
8. This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

### CASE NO. PUR-2022-00136 OCTOBER 31, 2022

APPLICATION OF  
UGE VA HOLDINGS LLC

For licensure as a non-exempt shared solar subscriber organization

#### ORDER GRANTING LICENSE

On August 12, 2022, UGE VA Holdings LLC ("UGE" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program ("Shared Solar Program") established pursuant to § 56-594.3 of the Code of Virginia. The Company seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, the Company attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>1</sup>

<sup>1</sup> 20 VAC 5-340-10 *et seq.*

On September 6, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before September 14, 2022, and to file proof of service on or before September 21, 2022. On September 19, 2022, the Company filed its proof of service.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before September 28, 2022. No comments were filed.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before October 5, 2022. On October 5, 2022, Staff filed its Report, which summarized Staff's investigation of the Company's proposal and evaluated the Company's financial condition and technical fitness. Based on its review of the Application, Staff recommended that the Company be granted a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program.<sup>2</sup>

The Procedural Order further provided that UGE may file any response to the Report on or before October 12, 2022. UGE did not file a response.

NOW THE COMMISSION, upon consideration of this matter, finds that UGE's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) UGE is hereby granted license No. SS-21 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.
- (2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>2</sup> Report at 5.

**CASE NO. PUR-2022-00137  
SEPTEMBER 30, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY SOUTH CAROLINA, INC.

For approval of an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On August 12, 2022, Virginia Electric and Power Company ("DEV"<sup>1</sup> or the "Company") and Dominion Energy South Carolina, Inc. ("DESC") (collectively, the "Applicants"), completed the filing of an application ("Application") with the State Corporation Commission ("Commission"), under Chapter 4 of Title 56 of the Code of Virginia ("Code"),<sup>2</sup> that requests approval of a new agreement ("Agreement") for the purchase, sale and/or transfer of materials, equipment, supplies, and capitalized spare parts ("Asset(s)") between the Company and DESC in the operation of their respective businesses on an as-needed basis.

DEV and DESC each currently purchase and maintain separate Asset inventories used in the operation and maintenance of their electric utility facilities. The Applicants represent that occasionally, when DEV or DESC has an emergency or critical need for Assets that they do not have in their own inventory, the Applicants must obtain the Assets on the open market from vendors or purchase them from other utilities. The Applicants assert that the reliability of the operation of the facilities may be hindered by long lead times in this process.<sup>3</sup>

The Agreement provides that DEV and DESC may, on a voluntary basis, obtain an Asset from the other's inventory and agree either to a sale of the Asset or for the utility needing the Asset to replace a transferred Asset with the same type of Asset in lieu of monetary compensation ("In-Kind Transfer"). The receiving utility must assume all liabilities, costs, fees, expenses, and obligations for the purchased or transferred Assets to the extent arising out of the ownership, maintenance, storage, operation, and use by the receiving party.<sup>4</sup>

<sup>1</sup> Virginia Electric and Power Company does business in Virginia as Dominion Energy Virginia, or DEV.

<sup>2</sup> § 56-76 *et seq.*

<sup>3</sup> See Application at 3.

<sup>4</sup> See *id.* at 4.

The Applicants state that the purchase price of an Asset sold under the Agreement will be book value, net of accumulated depreciation, and will include the full costs of making the Assets available, including any shipping and delivery costs.<sup>5</sup> The Applicants represent that the value of the Assets can range from hundreds of dollars to hundreds of thousands of dollars per item, but no single transaction will equal or exceed \$1 million.<sup>6</sup> For In-Kind Transfers, the replacement Asset must be the same type and quality as the transferred Asset and can be bought or, for certain Assets, rebuilt to like-new condition.<sup>7</sup> DEV estimates that replacement times could range from 18 to 24 months due to recent supply chain challenges.<sup>8</sup>

DESC is a public utility subject to the jurisdiction of the Public Service Commission of South Carolina ("SCPSC"). Pursuant to SCPSC Order No. 2021-358, a request for approval of the Agreement was also filed with the SCPSC on August 26, 2022. The Applicants represent that the filing of the Inventory Parts and Service Agreement at the North Carolina Utilities Commission ("NCUC") is also required under N.C. Gen. Stat. § 62-153. The Applicants have made the required filing with the NCUC.<sup>9</sup> The Applicants propose that the Agreement commence on the effective date approved by the Commission and remain in effect for a period of five years unless terminated pursuant to the provisions of the Agreement, after which time the Agreement will renew for successive five-year periods subject to any required regulatory approvals.<sup>10</sup>

The Applicants assert that the Agreement is in the public interest because it will allow the Applicants to have access to the types of Assets needed in an easy and timely manner. Through this Agreement, DEV and DESC will have increased operational flexibility and enhanced reliability of their electric utilities.<sup>11</sup>

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Company's comments thereon, is of the opinion and finds that the Agreement is in the public interest and should be approved subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Applicants are hereby granted approval of the Agreement effective as of the date of this Order Granting Approval, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

#### APPENDIX

1) The Commission's approval of the Agreement shall extend for five (5) years from the effective date of the order in this case. If DEV wishes to continue under the Agreement beyond that date, separate approval shall be required.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The Commission's approval shall be limited to the sale and transfer of Assets specifically described in the Agreement, not to exceed a total amount of \$1,000,000. If DEV wishes to sell, purchase, or transfer Assets, other than those described in the Agreement or exceeding \$1,000,000, separate approval shall be required.

4) DEV shall be required to maintain records, available to Staff upon request, to verify that any Assets exchanged between DEV and DESC under the Agreement are priced at cost (a/k/a net book value).<sup>12</sup>

5) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

6) Separate Commission approval shall be required for any changes in the terms and conditions of the Agreement.

7) The Commission shall reserve the right to examine the books and records of DEV and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

8) DEV shall file a copy of the approved Agreement within thirty (30) days after the effective date of the order granting approval in this case, subject to administrative extension by the Director of the Division of Utility Accounting and Finance ("UAF Director").

9) DEV shall include all transactions associated with the Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:

(a) List the latest Case Number in which the Agreement was approved;

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* See also Staff's Action Brief at 4, filed concurrently with this order.

<sup>7</sup> See Staff's Action Brief at 4.

<sup>8</sup> *Id.*

<sup>9</sup> See DEV's Response to e-mail from Dorothy Raju, dated August 31, 2022, which is attached to Staff's action brief.

<sup>10</sup> Application at 5.

<sup>11</sup> See *id.*

<sup>12</sup> Since DEV and DESC are rate-regulated utilities, it is appropriate for Assets exchanged under the Agreement to be priced at cost.

- (b) List DEV, the affiliate(s), and types of Assets; and  
 (c) Include schedule(s) in Excel electronic spreadsheet format with formulas intact, listing the prior year's Assets sold, purchased and transferred by month, Federal Energy Regulatory Commission ("FERC") account, and dollar amount (as the transactions are recorded in DEV's books).

**CASE NO. PUR-2022-00141  
 OCTOBER 14, 2022**

APPLICATION OF  
 SOUTHSIDE ELECTRIC COOPERATIVE

Application For Approval of RUS BR45 Loan

**ORDER GRANTING APPROVAL**

On September 26, 2022, Southside Electric Cooperative ("SEC") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code"),<sup>1</sup> requesting approval of loans of up to \$36 million from the Rural Utilities Service ("RUS"). SEC paid the requisite filing fee of \$25.

SEC represents that the requested authority will be used to fund existing and future capital projects to extend its transmission and distribution plant under a work plan for the 2021 to 2024 period. SEC states that funding will be provided in the form of one or more notes. The interest and maturity term of each note will be determined at the time funds are advanced. Such interest rate may be fixed or variable, and the maximum term of any note shall not exceed 35 years from the date of any advance.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff through Staff's action brief, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

- (1) SEC is hereby authorized to incur long-term indebtedness up to the principal amount of \$36,000,000, in the form of one or more notes under the terms and conditions and for the purposes set forth in the Application.
- (2) Approval of this Application shall have no implications for ratemaking purposes.
- (3) There being nothing further to be done, this matter is hereby dismissed.

<sup>1</sup> Virginia Code § 56-55 *et seq.*

**CASE NO. PUR-2022-00142  
 OCTOBER 14, 2022**

APPLICATION OF  
 APPALACHIAN POWER COMPANY and AMERICAN ELECTRIC POWER SERVICE CORPORATION

For approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On August 18, 2022, Appalachian Power Company ("APCo") and American Electric Power Service Corporation ("AEPSC") (collectively, "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a new service agreement ("2022 Agreement") between APCo and AEPSC for five years pursuant to Chapter 4<sup>1</sup> of Title 56 of the Code of Virginia ("Code"). The Applicants represent that APCo has received from AEPSC many of the Services set forth in the Agreement for more than 80 years.<sup>2</sup> The Commission approved prior versions of the proposed 2022 Agreement in Case Nos. PUR-2017-00100 ("2017 Agreement"), PUE-2012-00089, and PUE-2007-00055.<sup>3</sup> The Applicants represent that the proposed 2022 Agreement is substantively identical to the current 2017 Agreement. Since the 2017 Order's approval expires October 16, 2022, the Applicants request that the Commission act expeditiously on the Application or provide interim approval to continue under the 2017 Agreement pending its final action in this case.

<sup>1</sup> § 56-76 *et seq.* ("Affiliates Act").

<sup>2</sup> See Application at Exhibit A, P. 2.

<sup>3</sup> See *Petition of Appalachian Power Company and American Electric Power Service Corporation, For authority to enter into an affiliate transaction under Title 56, Chapter 4 of the Code of Virginia*, Case No. PUR-2017-00100, 2017 S.C.C. Ann. Rept. 541, Order Granting Approval (Oct. 16, 2017) ("2017 Order"); *Application of Appalachian Power Company and American Electric Power Service Corporation, For authority to enter into an affiliate transaction under Title 56, Chapter 4 of the Code of Virginia*, Case No. PUE-2012-00089, Doc. Con. Cen. No. 121030127, Order Granting Authority (Oct. 18, 2012), as corrected by Correcting Order (Oct. 22, 2012); and *Application of Appalachian Power Company and American Electric Power Service Corporation, For authority to enter into an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2007-00055, 2007 S.C.C. Ann. Rept. 452, Order Granting Authority (Oct. 18, 2007), 2007 S.C.C. Ann. Rpt. 454, Order Denying Reconsideration (Nov. 7, 2007).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Under the proposed 2022 Agreement, APCo will receive from AEPSC, under five broad corporate officer/supervisory categories, approximately 21 different types of Services.<sup>4</sup> The Services include: (1) Generation; (2) Customer Service; (3) Distribution Services; (4) Regulatory Services; (5) Supply Chain, Procurement, and Fleet Services; (6) Real Estate and Workplace Services; (7) Environment and Safety Services; (8) Corporate Communications; (9) Federal/External Affairs; (10) Regulated Commercial Operations; (11) Energy Delivery/Transmission Services; (12) Accounting; (13) Tax Services; (14) Planning and Budgeting; (15) Risk Management and Strategic Initiatives; (16) Treasury and Investor Relations; (17) Information Technology; (18) Legal; (19) Audit Services; (20) Human Resources; and (21) Chief Executive Officer Services.<sup>5</sup> The Services will be direct charged when practicable. The remaining Services charges will be allocated using one of 80 allocation bases.<sup>6</sup>

The 2022 Agreement provides that APCo will pay AEPSC "all costs which reasonably can be identified and related to particular transactions or services performed by [AEPSC] on [APCo's] behalf."<sup>7</sup> The 2017 Agreement terminates upon approval of the 2022 Agreement, and the 2022 Agreement will continue for five years from the effective date of the Commission's order in this case.<sup>8</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed 2022 Agreement is in the public interest and shall be approved subject to the requirements listed in the Appendix attached to this order.

We are specifically concerned that AEPSC engages affiliated third parties ("AEP Affiliates") to provide Services on its behalf to other AEP Affiliates, including APCo.<sup>9</sup> Pass-Through Service Costs pose an auditing concern because more sets of books and records must be audited to verify costs. Pass-Through Service Costs present a regulatory concern because the Affiliates Act requires affiliate costs in rate proceedings to be verified by original cost records (invoices, etc.) in order for such costs to be recovered in a utility's cost of service.<sup>10</sup>

To address these concerns, we will require the Applicants to acknowledge formally that the Commission regulates the Pass-Through Service Costs that pass from the AEP Affiliates through AEPSC to APCo for the purpose of determining the amount of such costs that are includible in APCo's cost of service. This requirement is intended to recognize the Commission's authority, specify the scope of Staff's work, and acknowledge the utility's self-interest in verifying the Pass-Through Service Costs.

Second, we will require AEPSC, upon request, to obtain and provide original cost records (invoices, etc.) and provide APCo with a Report that details such costs by: AEP Affiliate, month, service category, FERC account, and amount as the Pass-Through Service Costs are recorded in APCo's books. The Report will be in Excel electronic media format, with formulas intact, so that Staff can tabulate and sort the data for analysis in future rate proceedings. The Report will cover the prior calendar year and be submitted with APCo's Annual Report of Affiliate Transactions to the Commission's Director of Utility Accounting and Finance each year. This reporting requirement will facilitate the verification of the Pass-Through Service Costs for inclusion in APCo's cost of service.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Petitioners are granted approval of the 2022 Agreement subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

<sup>4</sup> The five corporate officer/supervisory categories include: (1) Chief Operating Officer/Generation/External Affairs; (2) Energy Delivery/Transmission Services; (3) Chief Financial Officer; (4) Chief Information & Technology Officer; and (5) Chief Executive Officer. Some officer titles and structures have changed since 2017, but the service categories are the same. See APCo's Response to Staff DR No. 1-4, which is attached to Staff's action brief filed concurrently with this order.

<sup>5</sup> See Application at Exhibit B, Appendix I. APCo provided a mapping of the 2022 Agreement service categories and allocation bases to AEP's 2021 Cost Allocation Manual. See APCo's Responses to Staff DR Nos. 1-8 and 1-9, which are attached to Staff's action brief filed concurrently with this order.

<sup>6</sup> See Application at Exhibit C, P. 1 thru 5. No allocation bases have been added or deleted since 2017, but there have been changes to the update frequency for certain bases. See APCo's Response to Staff DR No. 1-5, which is attached to Staff's action brief filed concurrently with this order.

<sup>7</sup> See Application at Exhibit B, P. 2.

<sup>8</sup> *Id.*

<sup>9</sup> We term these indirect affiliate transactions "Pass-Through Service Costs."

<sup>10</sup> See Code § 56-79 and *Commonwealth Gas Services, Inc. v. Reynolds Metal Company*, 236 Va. 362 (Nov. 18, 1988).

## APPENDIX

1) AEPSC and APCo shall provide a formal acknowledgement ("Acknowledgement") that the Commission regulates the Pass-Through Service Costs that pass from the AEP Affiliates through AEPSC to APCo for the purpose of determining the amount of such costs that are includible in APCo's cost of service. Such Acknowledgement shall be filed with the executed copy of the 2022 Agreement.

2) AEPSC shall, upon request, obtain and provide original cost records (invoices, etc.) and provide APCo with an annual report ("Report") that details the Pass-Through Service Costs by: AEP Affiliate, month, service category, FERC account, and amount as the Pass-Through Service Costs are recorded in APCo's books. The Report shall be in Excel electronic media format, with formulas intact, so that Staff can tabulate and sort the data for analysis in future rate proceedings. The Annual Report shall cover the January 1 – December 31 calendar year and be submitted with APCo's Annual Report of Affiliate Transactions ("ARAT") to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") each year.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- 3) The Commission's approval shall extend for five years from the effective date of the order in this case. If the Applicants wish to continue the 2022 Agreement beyond that date, separate approval shall be required.
- 4) The Commission's approval shall have no accounting or ratemaking implications.
- 5) The Commission's approval shall be limited to the specific services ("Service(s)") listed in the 2022 Agreement. If APCo wishes to receive Services not specifically identified in the 2022 Agreement, separate approval shall be required.
- 6) Separate Commission approval shall be required for APCo to receive Services from affiliated third parties (other than AEPSC) under the 2022 Agreement.
- 7) APCo shall be required to maintain records demonstrating that the Services charged by AEPSC to APCo are cost beneficial to Virginia ratepayers. For all Services costs charged by AEPSC to APCo where a market may exist, APCo shall investigate whether comparable market prices are available, and if they exist, APCo shall compare the market price to cost and pay the lower of cost or market to AEPSC. Records of such investigations and comparisons shall be available to Staff upon request. APCo shall bear the burden of proving, in any rate proceeding, that all AEPSC Services costs charged to APCo are priced at the lower of cost or market where a market for such Services exists.
- 8) Separate Commission approval shall be required for any changes in the terms and conditions of the 2022 Agreement.
- 9) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.
- 10) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by the Commission.
- 11) APCo shall file with the Commission an executed copy of the approved 2022 Agreement within sixty (60) days of the effective date of the order in this case, subject to administrative extension by the Commission's UAF Director.
- 12) APCo shall include all transactions associated with the approved 2022 Agreement in its ARAT, submitted to the UAF Director by May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:
  - (a) List the case number in which the 2022 Agreement was approved.
  - (b) List APCo, the affiliate(s), and Services received; and
  - (c) Include schedule(s) in Excel electronic media format, with formulas intact, listing the prior year's Services received by month, type of service, FERC account, and dollar amount, as the transactions are recorded on APCo's books.

**CASE NO. PUR-2022-00143  
SEPTEMBER 15, 2022**

APPLICATION OF  
SOUTHWESTERN VIRGINIA GAS COMPANY

For authority to incur long-term debt

**ORDER GRANTING AUTHORITY**

On August 23, 2022, Southwestern Virginia Gas Company ("SVG" or "Company") filed an application ("Application") with the Virginia State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> for authority to incur long-term debt. SVG has paid the requisite fee of \$250.

The Company requests authority to issue up to \$2.5 million in long-term debt in the form of a term loan from Fidelity Bank. The Company states that the long-term debt will be used primarily for the continued construction of the distribution pipeline located in Henry County, Virginia, to serve businesses located in the Commonwealth Crossing Business Centre. The loan fee from the bank is expected to be \$5,000. The loan is structured with a seven-year maturity to include a balloon payment at the end of 84 months. Prior to maturity, the principal payments will be \$8,333 monthly plus interest. The Company will pay a fluctuating interest rate equal to 100 basis points per annum below Prime that will adjust every 12 months. The term loan commitment from Fidelity Bank is scheduled to expire on October 16, 2022.

The Commission previously authorized the issuance of \$2.5 million in long-term debt in Case No. PUR-2021-00135.<sup>2</sup> The proceeds of that loan were also used to fund construction of the distribution pipeline in Henry County. The Company also received additional financing through an advance from Henry County in support of economic development initiatives at Commonwealth Crossing Business Centre. The Company is now seeking additional financing due to increasing cost for construction materials, supplies, and contractor labor, as well as increased cost for encountering unexpected rock formations on the path of pipeline construction.

NOW THE COMMISSION, upon consideration of the Application, and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

<sup>1</sup> Code § 56-55 *et seq.*

<sup>2</sup> *Application of Southwestern Virginia Gas Company*, Case No. PUR-2021-00135, 2021 S.C.C. Ann. Rept. 509, Order Granting Authority (Aug. 13, 2021).



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(1) SVG is hereby granted approval of the authority requested in the Application as described herein, subject to the requirements set forth in the Appendix attached to this Order.

(2) This matter shall remain subject to the continued review, audit, and appropriate directive of the Commission.

**APPENDIX A**

1. SVG shall be authorized through the period ending December 31, 2022, to incur long-term debt in the form of a term loan from Fidelity Bank for up to the aggregate maximum of \$2.5 million, under the terms and conditions, and for the purposes stated, in the Application.

2. SVG shall file a final report of action on or before March 1, 2023. Such report shall include the date of the term loan borrowing, the total amount borrowed, the applicable interest rate at issuance, and the maturity date. The final report shall also include a summary of all issuance costs incurred for the term loan and indicate the accounting treatment for such costs to include the accounts to which they are booked and respective terms of amortization.

3. The authority granted in this case shall have no accounting or ratemaking implication

**CASE NO. PUR-2022-00144  
DECEMBER 20, 2022**

APPLICATION OF  
GREENBACKER VA SHARED SOLAR, LLC

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On September 27, 2022, Greenbacker VA Shared Solar, LLC ("Greenbacker" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program established pursuant to § 56-594.3 of the Code of Virginia ("Code"). The Company seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, the Company attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").<sup>1</sup>

On October 26, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before November 4, 2022, and to file proof of service on or before November 15, 2022. On November 15, 2022, the Company filed its proof of service.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before November 22, 2022. No comments were filed.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before December 2, 2022. On December 2, 2022, Staff filed its Report. The Procedural Order further provided that Greenbacker may file any response to the Report on or before December 9, 2022. Greenbacker did not file a response.

NOW THE COMMISSION, upon consideration of this matter, finds that Greenbacker's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Greenbacker is hereby granted license No. SS-23 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

<sup>1</sup> 20 VAC 5-340-10 *et seq.*

**CASE NO. PUR-2022-00145  
NOVEMBER 29, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY, and DOMINION VOLTAGE, INC.

For approval to enter into a Software License and Services Agreement under Chapter 4 of Title 56 of the Code of Virginia.

**ORDER GRANTING APPROVAL**

On August 31, 2022, Virginia Electric and Power Company ("DEV" or the "Company"), and Dominion Voltage, Inc. ("DVI") (collectively, the "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),<sup>1</sup> requesting approval to enter into a Software License and Services Agreement ("Agreement"). On October 24, 2022, the review period was extended until November 30, 2022. DEV and DVI are both subsidiaries of Dominion Energy, Inc. ("DEI"). Because DVI is a subsidiary of DEI, DVI is an affiliated interest of DEV and transactions between them are subject to the filing and prior approval requirements of the Affiliates Act.<sup>2</sup>

Under the proposed Agreement, DVI will perform conservation reduction services with its Energy Distribution and Grid Efficiency ("EDGE") technology for DEV. The Applicants state that EDGE is a patented AMI-based<sup>3</sup> voltage optimization technology that measures customer voltages in real-time. DEV represents that it is in need of software to assist with voltage optimization and that its current system lacks visibility of the actual voltage along the distribution feeder or the actual voltage being delivered to each customer. DEV further states that a control system and related software that can receive voltage readings and issue voltage control commands would allow more precise voltage control settings to be applied, which would result in lower energy consumption for most customers.<sup>4</sup>

In Case No. PUR-2021-00127, the Commission approved DEV's request to make physical infrastructure upgrades to enable voltage optimization as part of the Company's grid transformation plan, contingent upon the Commission's approval of the Company's proposed voltage optimization energy efficiency program. In its 2021 DSM Update, the Company sought and received approval and cost recovery for the installation of a control system and related software.<sup>5</sup>

The Company issued a request for proposal for the software and invited suppliers to respond. Three bidders submitted proposals.<sup>6</sup> DEV represents that all proposals were considered.<sup>7</sup> The Company used a scoring system to evaluate the proposals based on factors such as experience, performance, functionality, technical requirements, pricing, expandability, demonstrations, references, and timeline for implementation.<sup>8</sup> DEV represents that DVI's EDGE technology was chosen because it was the only product that had the desired functionality and met all of the technical requirements.<sup>9</sup>

Under the Agreement, DEV will receive a Software License from DVI to use EDGE. The Software License grants DEV the use of four software applications that integrate into existing voltage control equipment using standard protocols.<sup>10</sup>

Under the Agreement, DVI will also provide maintenance and support services to DEV, which will include diagnostic services, software application updates, assistance in correcting software errors, and telephone assistance in the use of the software. DVI will also provide professional services to the Company, which will include but not be limited to training, engineering, IT support, analysis, and node preparation.<sup>11</sup>

DEV represents that pricing for the services provided by DVI will be provided to the Company at the lower of cost or market price. The total cost of the software and services will be \$5,435,400.<sup>12</sup> DEV represents that professional services will be provided at cost that is equivalent to the market.

<sup>1</sup> Code § 56-76 *et seq.*

<sup>2</sup> Application at 2.

<sup>3</sup> AMI stands for advanced metering infrastructure. Voltage optimization utilizes data collected from AMI and other grid devices to calibrate the voltage supplied to customers.

<sup>4</sup> Application at 3-4.

<sup>5</sup> *Id.* See *Petition of Virginia Electric and Power Company, For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00127, Doc. Con. Cen. No. 220110126, Final Order (Jan. 7, 2022); *Petition of Virginia Electric and Power Company, For approval of its 2021 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2021-00247, Doc. Con. Cen. No. 220830003, Final Order (Aug. 10, 2022). "DSM" means demand-side management.

<sup>6</sup> See Applicant's response to Staff Data Request ("DR") No. 1-15, which is attached to Staff's action brief filed concurrently with this order.

<sup>7</sup> See Applicant's response to Staff DR No. 1-14, which is attached to Staff's action brief filed concurrently with this order.

<sup>8</sup> Application at 4.

<sup>9</sup> *Id.*

<sup>10</sup> Application at 5.

<sup>11</sup> *Id.*

<sup>12</sup> Application at 8.

DEV further represents that the cost will be determined by actual hours at actual rates, which are at market labor rates based on the Company's practices and market studies. DEV states that costs for professional services and any additional implementation services are anticipated to be less than \$500,000 for any one service annually, and less than \$2 million in total services annually.<sup>13</sup> Therefore, the Applicants will execute a Form Agreement pursuant to Case No. PUR-2022-00156<sup>14</sup> and include the annual transactions in DEV's Annual Report of Affiliate Transactions ("ARAT").

The Applicants assert that the Agreement will assist the Company in implementing the Voltage Optimization Energy Efficiency Program and working toward achieving the Virginia Clean Economy Act's energy savings targets.<sup>15</sup> DEV represents that this Agreement will allow the Company to improve operations, better forecast load shape, and predict future behaviors, which will result in savings.<sup>16</sup> The Company further represents that approximately eight months after the installation is complete, customers will begin to see benefits in reduced bills due to reductions in energy consumption and peak demand.<sup>17</sup>

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff through its Action Brief, and having considered the Company's comments thereon, is of the opinion and finds that the Agreement is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Applicants are hereby granted approval to enter into the Agreement effective as of the date of this Order Granting Approval, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

<sup>13</sup> Application at 9.

<sup>14</sup> See *Application of Virginia Electric and Power Company and Dominion Energy Nuclear Connecticut, Inc., Dominion Products and Services, Inc., Dominion Energy Technical Solutions, Inc., For approval of revised affiliate support service agreements and future exemptions under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2022-00156, Order Granting Approval (Nov. 15, 2022).

<sup>15</sup> Application at 5. See Code § 56-596.2.

<sup>16</sup> *Id.* at 10.

<sup>17</sup> See Applicant's response to Staff DR 1-8, which is attached to Staff's action brief filed concurrently with this order.

#### APPENDIX

(1) The Commission's approval of the Agreement shall extend for five years from the effective date of the order in this case. If DEV wishes to continue under the Agreement beyond that date, separate approval shall be required.

(2) The Commission's approval shall have no accounting or ratemaking implications.

(3) The Commission's approval shall be limited to the specific Software and Services identified and described in the Agreement. If DEV wishes to receive additional Software and Services from DVI that are not specifically identified and described in the Agreement, separate approval shall be required.

(4) DEV shall be required to maintain records demonstrating that the Software and Services received from DVI is cost beneficial to Virginia ratepayers. For any Software and Service that DEV receives from DVI where a market may exist, DEV shall investigate and compare its Software and Services costs to the market price and DEV should pay to DVI the lower of cost or market. Records of such investigations and comparisons shall be available for Staff review upon request. DEV shall bear the burden of proving, in any rate proceeding, that it complied with the Commission's affiliate asymmetric pricing policy for any Software and Services received from DVI under the approved Agreement.

(5) The Commission's approval shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

(6) Separate Commission approval shall be required for any changes in the terms and conditions of the Agreement.

(7) The Commission shall reserve the right to examine the books and records of DEV and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(8) The Applicants shall file with the Commission an executed copy of the approved Agreement within sixty (60) days of the effective date of the order in this case, with such filing date subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(9) DEV shall include all transactions associated with the Agreement in its ARAT submitted to the Commission's UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall: (1) List the case number in which the Agreement was approved; (2) List DEV, and DVI, and the Software and Services received; and (3) include schedule(s) in Excel spreadsheet electronic media format, with formulas intact, listing the prior year's Software and Services received by month, service category, FERC account, and dollar amount (as the transactions are recorded in DEV's books).

**CASE NO. PUR-2022-00147  
OCTOBER 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

In re: Virginia Electric and Power Company's 2022 Update to its Integrated Resource Plan pursuant to Va. Code § 56-597 *et seq.*

**FINAL ORDER**

On September 1, 2022, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") the Company's 2022 update ("2022 Update") to the 2020 Integrated Resource Plan ("IRP") pursuant to Code §56-597 *et seq.* and the Commission's Integrated Resource Planning Guidelines ("Guidelines").<sup>1</sup>

Section E of the Guidelines provides that "by September 1 of each year in which a plan is *not* required, each utility shall file a narrative summary describing any significant event necessitating a major revision to the most recently filed IRP, including adjustments to the type and size of resources identified."

NOW THE COMMISSION, upon consideration of the Company's filing herein as well as the applicable law and the Guidelines, is of the opinion and finds that the Company's 2022 Update to the 2020 IRP is legally sufficient under the Guidelines and should be accepted for filing. Such acceptance, however, does not "express approval in this Final Order of the magnitude or specifics of Dominion's future spending plans, the costs of which will significantly impact millions of residential and business customers in the monthly bills they must pay for power."<sup>2</sup>

The Commission further notes that on August 16, 2022, the federal Inflation Reduction Act was signed into law, which includes various climate and energy provisions. The Commission directs Dominion to model the impacts of the Inflation Reduction Act in its forthcoming 2023 IRP filing.

Accordingly, IT IS ORDERED THAT:

- (1) The Company's 2022 Update to the 2020 IRP is accepted for filing.
- (2) Dominion shall model any impacts of the Inflation Reduction Act in its 2023 IRP filing as directed herein.
- (3) This case is dismissed.

<sup>1</sup> See *Commonwealth of Virginia, ex rel. State Corporation Commission, Concerning Electric Utility Integrated Resource Planning Pursuant to [§] 56-597 et seq. [of the] Code of Virginia*, Case No. PUE-2008-00099, 2008 S.C.C. Ann. Rept. 606, Order Establishing Guidelines for Developing Integrated Resource Plans (Dec. 23, 2008).

<sup>2</sup> See *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2019-00141, 2019 S.C.C. Ann. Rept. 507, Final Order (Sept. 20, 2019).

**CASE NO. PUR-2022-00148  
SEPTEMBER 21, 2022**

APPLICATION OF  
BARC ELECTRIC COOPERATIVE

For authority to issue debt pursuant to Chapter 3 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On September 7, 2022, BARC Electric Cooperative ("BARC" or "Applicant") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code"),<sup>1</sup> requesting authority to incur short-term indebtedness of not more than \$24 million at any time from the date of the Commission's approval, until the earlier of either the completion of BARC's 2021-2024 Construction Work Plan, or a review of BARC's financials that indicates a return to compliance with the Code's short-term debt limit. The requested amount of short-term indebtedness exceeds 12% of the Applicant's total capitalization and thus requires prior Commission approval pursuant to Code § 56-65.1. BARC paid the requisite filing fee of \$250.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff through its action brief, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

- (1) BARC is granted approval to incur short-term indebtedness in excess of 12% of total capitalization, with a limit of \$24 million, subject to the requirements set forth in the Appendix attached hereto.
- (2) This matter remains under the continued review, audit, and appropriate directive of the Commission.

<sup>1</sup> Virginia Code § 56-55 *et seq.*

**APPENDIX**

1) BARC is authorized to incur short-term indebtedness up to the maximum outstanding limit at any one time of \$24 million during the period September 27, 2022, through December 31, 2024, under the terms and conditions and for the purposes set forth in the Application.

2) BARC shall file with the Commission a final report of action ("Report") on or before March 15, 2025, to include the daily maximum amount of short-term indebtedness outstanding and the daily weighted average balance and cost rate for each month during the period of authority, along with BARC's balance sheets as of December 31, for 2022, 2023, and 2024.

3) The authority granted in this case shall have no accounting or ratemaking implications.

4) If BARC wishes to obtain authority beyond December 31, 2024, the Company shall file an application for such authority by October 31, 2024.

**CASE NO. PUR-2022-00149  
SEPTEMBER 29, 2022**

APPLICATION OF  
COMMUNITY ELECTRIC COOPERATIVE

For Authority to Guaranty Long-Term Indebtedness of an Affiliated Entity Pursuant to the Provisions of Chapter 3 and Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING AUTHORITY**

On September 19, 2022, Community Electric Cooperative ("CEC" or "Cooperative") completed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 3<sup>1</sup> and Chapter 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code").<sup>3</sup> The Cooperative paid the requisite filing fee of \$250.

CEC requests approval to provide a guaranty ("Guaranty") of the borrowing obligations of its affiliate, RECORE, LLC ("RECORE"), under a \$4,000,000 revolving line of credit ("Loan Agreement") with the National Cooperative Services Corporation ("NCSC"). The Loan Agreement will be for a period of three years. According to CEC, the Loan Agreement and associated Guaranty is practically a replacement of a \$5,000,000 internal line of credit that CEC was authorized to extend to its affiliate in Case No. PUE-2006-00012.<sup>4</sup> The Commission's Staff ("Staff") has reviewed the Application and additional information provided in response to data requests. Based on the Application and additional information provided, Staff concluded that the authority requested in this case would not unduly jeopardize CEC's ability to attract capital or meet its public service obligations.<sup>5</sup>

NOW THE COMMISSION, upon consideration of the Application, having been advised by its Staff through its action brief and having considered the Cooperative's response thereto, is of the opinion and finds that approval of the Application is in the public interest, subject to the requirements set forth in this Order and the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) CEC is hereby authorized to provide a Guaranty of up to \$4,000,000 of RECORE's borrowing obligations under the Loan Agreement with NCSC for a period of three (3) years from the execution date of the Loan Agreement and Guaranty, subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is hereby dismissed.

<sup>1</sup> Code § 56-55 *et seq.*

<sup>2</sup> Code § 56-76 *et seq.*

<sup>3</sup> The Application was filed August 31, 2022, a \$250 check for the filing fee was filed September 2, 2022, and the verified signatures of authorized affiliated parties were filed September 19, 2022.

<sup>4</sup> *Application of Community Electric Cooperative, For authority to extend a line of credit to an affiliate*, Case No. PUE-2006-00012, 2006 S.C.C. Ann. Rept. 382, Order Granting Authority (Mar. 13, 2006).

<sup>5</sup> See Staff's Action Brief at 4, filed concurrently with this order.

**APPENDIX**

1) Separate Commission approval shall be required for any changes in the terms and conditions of the approved Guaranty.

2) All costs associated with the approved Guaranty, inclusive of attorney and filing fees, shall be charged to RECORE. The dates, accounts, and amounts of such transactions, as they are recorded in the books of CEC and RECORE, shall be reported in CEC's Annual Report of Affiliate Transactions ("ARAT") submitted to the Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director.

3) CEC shall provide notice to the UAF Director within thirty (30) days of any payments made by CEC on behalf of RECORE under the Guaranty.

- 4) The Commission's approval shall have no accounting or ratemaking implications.
- 5) The approval granted herein shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.
- 6) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted herein, whether or not such affiliate is regulated by the Commission.
- 7) CEC shall file with the Commission a signed and executed copy of the Loan Agreement and Guaranty within sixty (60) days of the effective date of the order in these cases, subject to administrative extension by the UAF Director.
- 8) CEC shall report and update all cumulative, outstanding obligations incurred by the Applicant on behalf of RECORE in CEC's ARAT. Such report shall indicate the purpose and amount of each respective obligation, and when it is scheduled to end.

**CASE NO. PUR-2022-00155  
OCTOBER 7, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY SERVICES, INC.

For approval of a revised support services agreement under Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On September 20, 2022, Virginia Electric and Power Company<sup>1</sup> and Dominion Energy Services, Inc. ("DES") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a revised support services agreement ("New Agreement") under Chapter 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code"). The Applicants represent that DEV has provided support services ("Support Services") to DES since 2003 and the Applicants have operated under the current agreement ("Current Agreement") since 2017.<sup>3</sup>

The Applicants specifically seek: (1) to extend the New Agreement for an additional five years, from January 1, 2023, to December 31, 2027; (2) to incorporate additional confidential provisions used in other DEV affiliate agreements; and (3) to modify the New Agreement's wording to more accurately describe how DEV charges DES for Support Services through the SAP accounting system.

Pursuant to the New Agreement, DEV will provide three types of Support Services to DES: (1) Fleet Services; (2) Office Space and Equipment; and (3) Operations. Under the Fleet Services category, DEV will furnish gasoline and provide fleet maintenance services as necessary. Under the Office Space and Equipment category, DEV will supply land, buildings, furnishings and equipment for DES' use. Under the Operations category, DEV will advise and assist DES on generation, transmission, and distribution business operations and operational capacity matters.

DEV employees providing Support Services to DES will charge a fully loaded hourly rate based on actual time worked. Incremental out-of-pocket costs will be charged directly to DES. Indirect overhead costs will be apportioned based on DEV's project cost. Allocation bases used will include end-of-year number of DES-owned vehicles, corporate office headcount, and warehouse square footage.

DEV will regularly conduct external market price salary and incentive compensation surveys to ensure that employee compensation is consistent with market. DEV will also conduct annual market price studies of comparable office and warehouse facilities to ensure that DEV is charging the higher of cost or market.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed New Agreement is in the public interest and shall be approved subject to the requirements listed in the Appendix attached hereto to this order.

In the 2017 Order, we addressed the potential for the pass-through of Support Services from DEV through DES to a DEV-affiliated third party.

Prior to 2013, DEV provided Support Services to DES which, in turn, could provide those services to other DEV affiliates. The Current Agreement approved in Case No. PUE-2012-00017 eliminated the provision authorizing Pass-Through Services. DEV now provides Support Services directly to its affiliates (including DES), which are the end-users of the services. We continue in this proceeding to require separate Affiliates Act approval should DEV wish to resume Pass-Through Services.<sup>4</sup>

We make the same finding in the current Application.

<sup>1</sup> Virginia Electric and Power Company does business in Virginia as Dominion Energy Virginia ("DEV").

<sup>2</sup> § 56-76 *et seq.* ("Affiliates Act").

<sup>3</sup> See Application at 3, including footnote 3, and *Application of Virginia Electric and Power Company and Dominion Resources Services, Inc., For approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2017-00131, 2017 S.C.C. Ann. Rpt. 570, Order Granting Approval (Nov. 28, 2017) ("2017 Order").

<sup>4</sup> 2017 Order, 2017 S.C.C. Ann. Rept. at 571 (internal footnotes omitted).

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Petitioners are granted approval of the New Agreement subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

**APPENDIX**

1) The Commission's approval of the New Agreement shall extend from January 1, 2023, through December 31, 2027. If the Applicants wish to continue under the New Agreement after that period, separate Commission approval shall be required.

2) The Commission's approval shall be limited to the three specific Support Services identified in the New Agreement. If DEV wishes to provide additional Support Services to DES other than those identified in the New Agreement, separate Commission approval shall be required.

3) DEV shall provide thirty (30) days advance notice to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") prior to DEV's provision of any future services ("Future Services") to DES.

4) DEV shall be approved to provide Support Services to DES so long as DES is the sole end-user. If the Applicants wish DEV to provide Support Services to DES for a third-party Dominion affiliate's use ("Pass-Through Services"), separate approval shall be required.

5) Separate Commission approval shall be required for any changes in the terms and conditions of the New Agreement.

6) The Commission's approval shall have no accounting or ratemaking implications.

7) The approval granted in the case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

8) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by the Commission.

9) DEV shall maintain records demonstrating that the Support Services provided to DES are cost beneficial to Virginia ratepayers. For all Support Services provided by DEV to DES where a market may exist, DEV shall investigate whether there are market sources that could supply the Support Services. If a market source exists, DEV shall compare its cost of providing Support Services to the market price and charge the higher of cost or market to DES. Records of such investigations and comparisons shall be available for Staff review upon request. DEV shall bear the burden of proving, in any rate proceeding, that DEV charged DES the higher of cost or market for all Support Services provided under the New Agreement.

10) DEV shall file with the Commission a signed and executed copy of the New Agreement within sixty (60) days of the effective date of the order in this case, subject to administrative extension by the Commission's UAF Director.

11) All transactions between DEV and DES under the New Agreement shall be included in DEV's Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The DEV ARAT shall include: (a) the most recent case number under which the New Agreement was approved; (b) the entity name and type of each activity performed under the New Agreement; and (c) a schedule, in Excel electronic media format with formulas intact, listing the prior calendar year's transactions by month, type of service, FERC account, and dollar amount, as the transactions are recorded in DEV's books.

**CASE NO. PUR-2022-00156  
NOVEMBER 15, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY NUCLEAR CONNECTICUT, INC.,  
DOMINION PRODUCTS AND SERVICES, INC., DOMINION ENERGY TECHNICAL SOLUTIONS, INC.

For approval of revised affiliate support services agreements and future exemptions under Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On September 20, 2022, Virginia Electric and Power Company ("DEV" or the "Company"),<sup>1</sup> Dominion Energy Nuclear Connecticut, Inc., Dominion Products and Services, Inc., and Dominion Energy Technical Solutions, Inc. (collectively, excluding DEV, the "Affiliates") (collectively, including DEV, the "Applicants"), completed the filing of an application ("Application") with the State Corporation Commission ("Commission") under Chapter 4 of Title 56 of the Code of Virginia ("Code"),<sup>2</sup> which requests to continue approval of Affiliate support services agreements ("Agreements") and future exemptions ("Exemptions").

<sup>1</sup> Virginia Electric and Power Company does business in Virginia as Dominion Energy Virginia, or DEV.

<sup>2</sup> § 56-76 *et seq.*

The Applicants currently operate under a set of Agreements previously approved in Case Nos. PUE-2012-00018<sup>3</sup> and PUR-2017-00111,<sup>4</sup> in which DEV provides the Affiliates with a list of specific services ("Services") identified and described in the Agreements. The Services include: (1) Operations – Generation; (2) Operations – Transmission; (3) Operations – Distribution; (4) Fleet Services; (5) Corporate Planning; (6) Supply Chain; (7) Customer Services; (8) Office Space and Equipment; and (9) Business Services.<sup>5</sup> DEV represents that it will continue to provide the Services to the Affiliates on an as-needed basis. The Applicants propose for the Agreements to commence on January 1, 2023, and remain in effect for a period of five years unless terminated pursuant to the provisions of the Agreements.

The Applicants propose to add certain confidentiality provisions to the Agreements to comply with the North Carolina Utilities Commission's Code of Conduct issued in November 2018 to protect customer information and confidential system operation information the Applicants may share under the Agreements.<sup>6</sup>

The Applicants also request that the Commission maintain the same Exemptions for other affiliates ("Exempt Affiliates") that was granted in PUR-2017-00111. The Exemption allows any affiliate billed less than \$500,000 per Service per year, or \$2 million in total per year, to be exempted from the prior approval requirements of the Affiliates Act so long as they execute Form Agreements ("Form Agreements") and DEV includes their annual billings in its Annual Report of Affiliate Transactions ("ARAT"). DEV represents that the Exemptions are for judicial economy, i.e., fewer Affiliates Act filings will be required. The Applicants represent that BrightSuite, Inc., Dominion Generation, Inc., Dominion Voltage, Inc., Dominion Energy Fuel Services, Inc., and Dominion Privatization Holdings, Inc., currently qualify for the Exemption and intend to execute the Form Agreements.

The Applicants assert that the Agreements and Exemptions are in the public interest because they allow the Company to provide necessary Services to the Affiliates and Exempt Affiliates. The Applicants represent that customers will also benefit because the Company will only provide such support Services on an as-needed basis, and because the Company will provide those Services in compliance with the Commission's higher of cost or market policy.<sup>7</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Company's comments thereon, is of the opinion and finds that the Agreements and requested Exemptions are in the public interest and should be approved subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Applicants are hereby granted approval of the Agreements subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

#### APPENDIX

1) The Commission's approval of the Agreements and Exemptions<sup>8</sup> shall extend for five years from January 1, 2023, through December 31, 2027. If DEV wishes to continue under the Agreements beyond that date, separate approval shall be required.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The Commission's approval shall be limited to the specific Services identified and described in the Agreements. If DEV wishes to provide additional Services to the Affiliates not specifically identified and described in the Agreements, separate approval shall be required.

<sup>3</sup> Application of Virginia Electric and Power Company, Dominion Energy Kewaunee, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Products and Services, Inc., Dominion Energy Technical Solutions, Inc., Dominion Energy Transmission, Inc., For approval of Affiliate Support Services Agreements and future exemptions under Chapter 4 of Title 56 of the Code of Virginia, Case No. PUE-2012-00018, 2012 S.C.C. Ann. Rept. 408, Order Granting Approval (May 11, 2012).

<sup>4</sup> Application of Virginia Electric and Power Company, Dominion Energy Kewaunee, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Products and Services, Inc., Dominion Energy Technical Solutions, Inc., Dominion Energy Transmission, Inc., For approval of revised affiliate support services agreements and future exemptions under Chapter 4 of Title 56 of the Code of Virginia, Case No. PUR-2017-00111, 2017 S.C.C. Ann. Rept. 557, Order Granting Approval (Nov. 20, 2017).

<sup>5</sup> Exhibit II of Attachment B-I of the Application.

<sup>6</sup> This same confidentiality provision and exhibit has been included in other approved affiliate services agreements. See, e.g., Application of Virginia Electric and Power Company and Dominion Energy Services, Inc., For approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia, Case No. PUR-2020-00228, 2020 S.C.C. Ann. Rept. 623, Order Granting Approval (Dec. 17, 2020); Application of Virginia Electric and Power Company, Dominion Generation, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Energy Technical Solutions, Inc., and Dominion Energy Fuel Services, Inc., For approval of Revised Affiliate Services Agreements and future exemptions from the filing and prior approval requirements under Chapter 4 of Title 56 of the Code of Virginia, Case No. PUR-2020-00229, 2020 S.C.C. Ann. Rept. 625, Order Granting Approval (Dec. 21, 2020); Application of Virginia Electric and Power Company, Virginia Power Services Energy, Corp., and Dominion Energy Fuel Services, Inc., For Approval of Revised Affiliate Fuel Agreements Pursuant to Chapter 4, Title 56 of the Code of Virginia, Case No. PUR-2019-00137, 2019 S.C.C. Ann. Rept. 502, Order Granting Approval (Nov. 14, 2019).

<sup>7</sup> Application at 14.

<sup>8</sup> The Exemption allows any affiliate billed less than \$500,000 per Service per year, or \$2 million in total per year, to be exempted from the prior approval requirements of the Affiliates Act so long as they execute Form Agreements and DEV includes their annual billings in its ARAT



4) DEV shall be required to maintain records demonstrating that the Services provided to the Affiliates under the Agreements are cost beneficial to Virginia ratepayers. For any service that the Affiliates receive from DEV where a market may exist, DEV shall investigate and compare the market price to its cost of providing the service and DEV shall charge the higher of cost or market. Records of such investigations and comparisons shall be available for Staff review upon request. DEV shall bear the burden of proving, in any rate proceeding, that it complied with the Commission's asymmetric pricing policy for any Services provided to or received from the Affiliates under the approved Agreements.

5) The Commission's approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 et seq. hereafter.

6) Separate Commission approval shall be required for any changes in the terms and conditions of the Agreements.

7) The Commission shall reserve the right to examine the books and records of DEV and any Affiliate in connection with the approval granted in this case, whether or not such Affiliate is regulated by this Commission.

8) DEV shall file signed and executed copies of the approved Agreements within 60 days after the date of the order granting approval in this case, subject to administrative extension by the Director of the Division of Utility Accounting and Finance ("UAF Director").

9) DEV shall include all transactions associated with the Agreements and Exemptions in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:

- (a) List the latest Case Number in which the Agreements were approved;
- (b) Include the executed Form Agreements for the Exempt Affiliates;
- (c) List DEV, the Affiliate(s), the Exempt Affiliates, and types of Services; and
- (d) Include schedule(s) in Excel electronic spreadsheet format, with formulas intact, listing the prior calendar year's Services provided and received by month, service category, Federal Energy Regulatory Commission account, and dollar amount (as the transactions are recorded in DEV's books).

**CASE NO. PUR-2022-00157  
OCTOBER 14, 2022**

APPLICATION OF  
MECKLENBURG ELECTRIC COOPERATIVE

For approval to incur short-term indebtedness pursuant to Chapter 3 of the Code of Virginia

**ORDER GRANTING AUTHORITY**

On September 19, 2022, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> for authority to incur short-term indebtedness. On September 19, 2022, MEC paid the requisite filing fee of \$250 to complete the Application.

MEC is seeking authority to borrow up to \$39,000,000 of short-term debt as available under the three lines of credit noted in the Application. Short-term debt borrowings will be used to float expenditures for broadband build out in its service territory for MEC's portion of a \$166 million regional broadband expansion initiative supported in part by grant funding from Virginia Telecommunications Initiative ("VATI").<sup>2</sup>

As detailed in the Application, MEC must build out its network within three years to receive grant funds. Without the ability to float these expenditures under the authority requested, MEC is at risk of not meeting the 36-month deadline. For qualified expenditures during its fiber network buildout, MEC will periodically request grant reimbursements from VATI. MEC states that the requested authority will allow the Cooperative to float qualified broadband expenditures until it receives VATI reimbursements that will be used to pay back the short-term borrowings.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the authority requested is not detrimental to the public interest and shall be approved in the manner, under the terms and conditions, and for the purposes set forth in the Application.

Accordingly, IT IS ORDERED THAT:

(1) MEC is authorized to borrow up to a maximum of \$39,000,000 of short-term debt through December 31, 2025.

(2) MEC shall submit a report to the Commission's Director of the Division of Utility Accounting and Finance within 60 days of the end of each calendar year the authority remains in effect, subject to administrative extension, with such report to detail the short-term borrowings, associated interest rates, repayments, and cumulative maximum amount outstanding in each month.

(3) The authority granted herein shall have no accounting or ratemaking implications.

(4) This case is dismissed.

<sup>1</sup> Va. Code § 56-55 et seq.

<sup>2</sup> See *Application of Mecklenburg Electric Cooperative, for approval of loan*, Case No. PUR-2022-00078, Doc. Con. Cen. No. 220630081, Order Granting Authority (Jun. 15, 2022).

**CASE NO. PUR-2022-00158  
OCTOBER 7, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

Request for authority for short-term borrowings from an affiliate

**ORDER GRANTING APPROVAL**

On September 21, 2022, Washington Gas Light Company ("Washington Gas" or the "Company") submitted an application ("Application") with the State Corporation Commission ("Commission") under Chapters 3<sup>1</sup> and 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code") for authority to issue short-term securities, up to an aggregate amount of \$200 million, to WGL Holdings, Inc. ("WGL Holdings"), through December 31, 2025 ("Proposed Financing"). The Company intends to use the Proposed Financing to meet its seasonal borrowing needs and to maintain financing flexibility. The Company paid the requisite fee of \$250.

The Company expects to incur no issuance costs for the Proposed Financing. Each loan under the Proposed Financing will bear interest at a rate that corresponds to the most recent Washington Gas commercial paper trades of an equivalent term. The term of the Proposed Financing ends on December 31, 2025.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application is in the public interest.

Accordingly, IT IS ORDERED THAT:

- (1) Washington Gas is authorized to implement the Proposed Financing subject to certain conditions outlined in the Appendix attached to this order.
- (2) This case is continued.

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<sup>1</sup> Va. Code § 56-55 *et seq.*

<sup>2</sup> Va. Code § 56-76 *et seq.*

**APPENDIX**

1. Washington Gas shall be authorized to issue short-term indebtedness in excess of 12 percent of total capitalization, subject to existing or subsequent limits to total short-term indebtedness through December 31, 2025.
2. Separate Commission approval shall be required for any changes in the terms and conditions of the Proposed Financing.
3. The Commission's approval shall have no accounting or ratemaking implications.
4. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code § 56-76 *et seq.* hereafter.
5. The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.
6. On or before January 31 of each year the Proposed Financing is active, the Company shall file a report detailing the use of the Proposed Financing for the previous year, which shall include the date, amount, and applicable interest rate of each loan under the Proposed Financing.
7. This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

**CASE NO. PUR-2022-00159  
OCTOBER 5, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY SERVICES, INC.

For approval of a Form Bill of Sale Agreement under Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On September 23, 2022, Virginia Electric and Power Company<sup>1</sup> and Dominion Energy Services, Inc. ("DES") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a Form Bill of Sale Agreement ("Form Bill of Sale") under Chapter 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code"). The Applicants seek approval of the Form Bill of Sale to: (a) transfer identified information technology assets located at the Eighth and Main Street Building ("IT Assets") from DES to DEV at a price of zero dollars ("Current Transfer"), and (b) transfer additional IT Assets from DES to DEV at zero dollars as they are identified in the future ("Future Transfers") (collectively, "Transfers").

In May 2022, DEI announced the pending sale of its 20-story Eighth & Main Street building to a non-affiliate third party developer. DES, which partially occupied the building, is relocating its employees and has identified IT Asset inventory onsite that it no longer needs. The identified IT Assets consist of four Cisco WebEx room kits and three Cisco WebEx boards. DEV represents that it wishes to acquire the identified IT assets for use in its Chester and Charles City office conference rooms. The identified IT Assets, which were initially purchased for \$215,000, have a net book value of \$0. DEV represents that the proposed Current Transfer will benefit its customers while complying with the Commission's lower of cost or market pricing policy.

The Applicants represent that there may be additional IT Assets that DEV may be able to use at other office locations. Therefore, the Applicants request further authority to execute future Bills of Sale for additional IT Assets, or Future Transfers, at zero dollars as the need and availability arises.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed Form Bill of Sale is in the public interest and shall be approved subject to the requirements listed in the Appendix attached hereto to this order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Petitioners are granted approval of the Form Bill of Sale subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

**APPENDIX**

1) The Commission shall require that all Form Bill of Sale Transfers be priced at zero dollars.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

4) DEV shall include all transactions associated with the Form Bill of Sale Transfers in its Annual Report of Affiliate Transactions ("ARAT") submitted to the Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include: (a) the case number in which the Transfers were approved; (b) the names of the affiliated parties to the Transfers; (c) the date(s) of the Transfers; and (d) any journal entries or other documentation<sup>3</sup> recording the Transfers.

<sup>1</sup> Virginia Electric and Power does business in Virginia as Dominion Energy Virginia ("DEV").

<sup>2</sup> § 56-76 *et seq.*

<sup>3</sup> The IT Asset schedules provided in Attachment C to the Application are acceptable documentation for the Transfers.

**CASE NO. PUR-2022-00160  
DECEMBER 16, 2022**

APPLICATION OF  
RAPPAHANNOCK ELECTRIC COOPERATIVE

For a streamlined increase in rates

**ORDER**

On October 31, 2022, Rappahannock Electric Cooperative ("REC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application for a streamlined increase in rates ("Streamlined Application") pursuant to §§ 56-231.33, 56-231.34, 56-235, 56-236, and 56-585.3 of the Code of Virginia and under 20 VAC 5-200-21 C of the Commission's rules on Streamlined rate proceedings and general rate proceedings for

electric cooperatives subject to the State Corporation Commission's rate jurisdiction ("Streamlined Rate Case Rules").<sup>1</sup> Specifically, the Cooperative seeks to implement on a permanent basis a rate increase for all bills issued on and after January 1, 2023, designed to increase the Cooperative's revenues by approximately \$14.95 million per year.<sup>2</sup> Additionally, REC requests permission to implement its revised depreciation rates contained in its Electric Plant and Depreciation Study concurrent with the effective date of the proposed rates.<sup>3</sup>

In support of its Streamlined Application, REC states that the proposed increase in total revenues is 3.90%, and will result in a Times Interest Earned Ratio ("TIER") of 2.50.<sup>4</sup> Further, pursuant to 20 VAC 5-200-21 C 11, 12 of the Streamlined Rate Case Rules, the members of REC were generally notified of the proposed rate increase and tariff revisions by newspaper advertisement on September 28-30, 2022, and as required by 20 VAC 5-200-21 C 13, the Cooperative provided copies of the public notice to the appropriate local officials and to the Division of Consumer Counsel, Office of the Attorney General, by letter dated September 29, 2022.<sup>5</sup>

As noted in the Streamlined Application, under 20 VAC 5-200-21 C 5, the Commission may suspend the proposed rates and schedule a hearing on the Streamlined Application if any of the following object to the proposed rates or tariff revisions: (i) 150 of the Cooperative's members; (ii) one-quarter of the members within a rate class that is the subject of a revision or increase; or (iii) all of the members within a rate class that is the subject of a revision or increase if the rate class contains 20 or fewer members.<sup>6</sup> Furthermore, pursuant to 20 VAC 5-200-21 C 6, the Commission may, in its discretion, suspend an electric cooperative's rate increase and proposed tariff revisions in a streamlined rate proceeding on the motion of the Staff of the Commission ("Staff"), the Virginia Attorney General's Division of Consumer Counsel, or any person subject to such change who requests a hearing and states a substantive reason why a hearing is necessary.

NOW THE COMMISSION, upon consideration of the matter, and being advised by the Commission's Staff via Staff's action brief, and having considered the Cooperative's comments thereto, is of the opinion and finds that REC's application for a streamlined rate increase should be approved. As described in the Staff's action brief, it appears that REC has complied with the requirements of the Streamlined Rate Case Rules.<sup>7</sup> Upon our review of the record herein, we further find that the Cooperative's request to implement the noticed rate increase should be granted and made effective for bills issued on and after January 1, 2023.<sup>8</sup>

Further, regarding REC's request to put its revised depreciation rates into effect concurrent with the effective date of the proposed rates, we find that, as recommended by Staff, the Cooperative's depreciation study should be decoupled from this streamlined rate proceeding, and accordingly, that review of the Cooperative's proposed depreciation rates should be conducted administratively as proposed by Staff.

Finally, in granting this approval, the Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws and regulations applicable to this case. This is what we have done herein.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUR-2022-00160.
- (2) REC may implement its proposed rates on a permanent basis for bills issued on and after January 1, 2023.
- (3) REC forthwith shall file tariffs and supporting workpapers with the Clerk of the Commission and shall submit the same to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: [scc.virginia.gov/pages/Case Information](http://scc.virginia.gov/pages/Case%20Information).
- (4) Review of the Cooperative's proposed depreciation rates shall be conducted administratively as proposed by Staff.
- (5) This case is dismissed.

<sup>1</sup> This is the first proceeding under the Streamlined Rate Case Rules since they were amended in Case No. PUR-2020-00023. See *Application of the Virginia, Maryland & Delaware Association of Electric Cooperatives, For Rulemaking to Amend the Commission's Streamlined Rate Case Rules for Electric Cooperatives*, Case No. PUR-2020-00023, 2020 S.C.C. Ann. Rept. 443, Order Adopting Regulations (Oct. 8, 2020).

<sup>2</sup> Streamlined Application at 3, 5, 7.

<sup>3</sup> *Id.* at 5-6.

<sup>4</sup> *Id.* at 3.

<sup>5</sup> *Id.* at 6.

<sup>6</sup> *Id.* at 5.

<sup>7</sup> Staff's action brief also reflects that three members of the Cooperative submitted comments in opposition to the proposed increase, one of whom requested a hearing on the Streamlined Application. In consideration of the Streamlined Rate Case Rules, the comments and request for hearing filed herein, and REC's response thereto, we find that a hearing is not necessary in this case.

<sup>8</sup> The Commission has fully considered the filings and arguments in the record. See *Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

**CASE NO. PUR-2022-00161  
DECEMBER 15, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For Approval of the SAVE Rider for Calendar Year 2023

**ORDER**

On September 23, 2022, Washington Gas Light Company ("WGL" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") pursuant to Chapter 26 of Title 56 of the Code of Virginia ("Code"),<sup>1</sup> known as the Steps to Advance Virginia's Energy Plan ("SAVE") Act. Through the Application, WGL seeks approval of its annual adjustment of its SAVE Plan Rider.<sup>2</sup>

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure.<sup>3</sup> The 2023 SAVE Rider is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan.<sup>4</sup> WGL states that the calculation of the revenue requirement and rates associated with the 2023 SAVE Rider consists of two components: the "Current Factor" and the "Reconciliation Factor," which were approved by the Commission in its 2022 SAVE Order.<sup>5</sup> According to the Company, the Current Factor is based on SAVE Plan program expenditures projected for 2023 and the first year of the five-year amended SAVE Plan approved in Case No. PUR-2021-00283,<sup>6</sup> and the Reconciliation Factor is computed in accordance with Code § 56-604 E for the twelve-month period ended April 30, 2022.<sup>7</sup>

On October 11, 2022, the Commission entered its Order for Notice and Comment in this proceeding which, among other things, docketed the matter, directed WGL to provide public notice of its Application, provided that interested persons should be afforded an opportunity to file comments on the Company's Application, and directed the Commission Staff ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations.

Staff filed its report ("Staff Report") on November 17, 2022, recommending a total SAVE revenue requirement of \$5,006,645, comprising a Reconciliation Factor of \$(2,568,822) and a Current Factor of \$7,575,467, to be effective January 1, 2023.<sup>8</sup> Staff notes that the projects included in the Current Factor will be subject to audit and true-up in a future SAVE Rider proceeding.<sup>9</sup>

The Company filed its response to the Staff Report on November 28, 2022. In its response, the Company agreed with the Staff Report's findings and agreed to the revenue requirement of \$5,006,645.<sup>10</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Staff's recommended revenue requirement of \$5,006,645 comprising a Reconciliation Factor of \$(2,568,822) and a Current Factor of \$7,575,467, to be effective January 1, 2023, should be approved.

In granting this approval, the Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must follow the laws applicable to this case, as well as the findings of fact supported by the evidence in the record. This is what we have done herein.

Accordingly, IT IS SO ORDERED THAT:

(1) WGL's SAVE Rider is approved with a total revenue requirement of \$5,006,645, comprising a Reconciliation Factor of \$(2,568,822) and a Current Factor of \$7,575,467.

(2) Rates consistent with this Order shall become effective with the first day of the January 2023 billing cycle and shall remain in effect through December 31, 2023.

<sup>1</sup> Code §§ 56-603 through 56-604.

<sup>2</sup> The Commission approved a portion of the Company's amendment and extension of its SAVE Plan in *Application of Washington Gas Light Company, For approval to amend its SAVE plan pursuant to § 56-604 B of the Code of Virginia*, Case No. PUR-2021-00283, Doc. Con. Cen. No. 220550057, Final Order (May 26, 2022) ("2022 SAVE Order").

<sup>3</sup> Application at 3-5.

<sup>4</sup> Code § 56-603 *et seq.*

<sup>5</sup> Application at 1; 2022 SAVE Order at 4-9.

<sup>6</sup> Application at 1; 2022 SAVE Order at 4-9.

<sup>7</sup> Application at 1.

<sup>8</sup> Staff Report at 1, 3.

<sup>9</sup> *Id.* at 6.

<sup>10</sup> WGL Response to the Staff Report at 1.

(3) WGL forthwith shall file, with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, revised tariffs for the SAVE Rider and all workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk of the Commission shall retain such filing for public inspection both in person and on the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(4) This matter is dismissed.

**CASE NO. PUR-2022-00168  
DECEMBER 21, 2022**

APPLICATION OF  
PRINCE GEORGE ELECTRIC COOPERATIVE and PGEC ENTERPRISES, LLC

For approval of an affiliate arrangement

**ORDER GRANTING APPROVAL**

On October 3, 2022, Prince George Electric Cooperative ("PGEC" or "the Cooperative") and PGEC Enterprises, LLC ("PGEC Enterprises") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") to request approval of an affiliate arrangement under Chapter 4<sup>1</sup> of Title 56 of the Code of Virginia ("Code"). Specifically, the Applicants seek approval: (i) to transfer 26.64 acres of non-utility property ("2022 Parcel") to PGEC Enterprises ("Land Transfer"), and (ii) to inject \$648,337 in cash into PGEC Enterprises ("Cash Injection") (collectively, "Proposed Transaction").

In Case No. PUA-2001-00067, the Commission approved the Cooperative's proposal to provide \$2 million in equity to PGEC Enterprises.<sup>2</sup> The \$2 million included \$1.4 million to acquire a 95-acre real estate parcel ("2001 Parcel") from PGEC and a cash injection not to exceed \$600,000 to fund the initial operations of PGEC Enterprises. For various reasons, the Cooperative never transferred the 2001 Parcel ("2001 Transfer").<sup>3</sup>

The Proposed Transaction involves the transfer of approximately 26.64 acres of the 2001 Parcel ("2022 Parcel") from PGEC to PGEC Enterprises.<sup>4</sup> The Applicants state that the purpose of the Proposed Transaction is to help establish PGEC Enterprises as a self-sufficient entity and reduce and eventually eliminate PGEC Enterprises' reliance on PGEC as the parent guarantor for its short- and long-term debt needs. Because the 2001 Parcel has appreciated in value since the original case, the Cooperative seeks to transfer the smaller 2022 Parcel to match the 2001 Transfer amount originally approved in Case No. PUA-2001-00067.<sup>5</sup> The Proposed Transaction also includes a cash injection of \$648,337 from PGEC to PGEC Enterprises that will be used by PGEC Enterprises to pay PGEC for the 2022 Parcel.<sup>6</sup>

The Applicants assert that the Proposed Transaction is in the public interest because it will provide benefits to PGEC and its member-customers through PGEC Enterprises' development of the 2022 Parcel for mixed and commercial use and reduce the need for PGEC parent guaranties to support PGEC Enterprises' short- and long-term debt financing.<sup>7</sup>

NOW THE COMMISSION, upon consideration of this matter, having been advised by the Commission Staff ("Staff") through Staff's action brief and having considered the Company's comments thereon, is of the opinion and makes the following findings.

We are concerned that the proposed Land Transfer is priced at the 2022 Parcel's net book value of \$648,337 rather than its appraised market value of \$1.225 million. We have previously ruled that a Virginia utility's goods and services provided to an unregulated affiliate are subject to the Commission's asymmetric pricing policy<sup>8</sup> if the costs associated with the goods and services provided have been included in the utility's cost of service.<sup>9</sup> The Cooperative acknowledges that property taxes associated with the 2022 Parcel have been included in its regulated cost of service and, therefore, the Commission's asymmetric pricing policy for affiliate transactions applies to the Land Transfer. We find that as structured the Proposed Transaction is not in the public interest and is denied.

<sup>1</sup> Code § 56-76 et seq.

<sup>2</sup> *Joint Application of Prince George Electric Cooperative and PGEC Enterprises, LLC, For approval of certain affiliate transactions under Chapter 4, Title 56 of the Code of Virginia*, Case No. PUA-2001-00067, 2002 S.C.C. Ann. Rept. 171, Order Granting Authority (Feb. 14, 2002).

<sup>3</sup> See Cooperative response to Staff DR No. 1-1, attached hereto.

<sup>4</sup> Application at 5.

<sup>5</sup> *Id.* at 6.

<sup>6</sup> *Id.* at 6.

<sup>7</sup> *Id.* at 7.

<sup>8</sup> The Commission's asymmetric pricing policy requires that a Virginia utility's goods and services provided to an unregulated affiliate must be priced at the higher of cost or market where a market exists.

<sup>9</sup> See *Joint Petition of Shenandoah Telephone Company and Shenandoah Cable Television, LLC, For approval of an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2020-00288, 2021 S.C.C. Ann. Rept. 365, Order Granting Approval (Mar. 17, 2021).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Alternatively, we find that the Modified Transaction proposed by Staff and agreed to by the Applicants, in which the 2022 Parcel is transferred at its \$1.225 million appraised market value and the Cooperative is allowed to inject cash up to \$1.225 million into PGEC Enterprises, complies with the Commission's asymmetric policy, is in the public interest, and is approved subject to the requirements listed in the Appendix attached to this order.

Accordingly, IT IS ORDERED THAT:

- (1) The Proposed Transaction is denied.
- (2) The Modified Transaction is approved subject to the requirements listed in the Appendix attached to this order.
- (3) This case is dismissed.

## APPENDIX

1) The Commission's approval of the Modified Transaction shall consist of: (i) a modified Land Transfer of the 2022 Parcel at the appraised market value of \$1.225 million; and (ii) a modified Cash Injection by PGEC into PGEC Enterprises of up to \$1.225 million. If the Modified Transaction is not closed within 12 months of the effective date of the final order in this case, the Commission's approval shall terminate.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) PGEC shall file a Report of Action ("Report") within 90 days after consummation of the Modified Transaction. The Report shall include: (a) the PUR-2022-00168 case number; (b) the date of the Modified Transaction; and (c) the accounting journal entries for the Modified Transaction's Land Transfer and Cash Injection, as they are recorded in PGEC's books.

4) The Modified Transaction shall be included in PGEC's next Annual Report of Affiliate Transactions submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director. The information shall include: (a) the PUR-2022-00168 case number, (b) a brief description of the Modified Transaction, (c) the Modified Transaction's Land Transfer and Cash Injection amounts, and (d) the Report filing date.

5) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

6) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

**CASE NO. PUR-2022-00170  
DECEMBER 20, 2022**

APPLICATION OF  
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For approval of 2023 services agreement and cost allocation manual

**ORDER GRANTING APPROVAL**

On October 7, 2022, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Applicant")<sup>1</sup> filed an application ("Application") with the State Corporation Commission ("Commission") for approval of an Amended and Restated Utility Services Agreement ("2023 Agreement") and 2023 LKE Cost Allocation Manual ("2023 LKE CAM") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code").<sup>2</sup> The current version of the 2023 Agreement ("Current Agreement") was approved in Case No. PUR-2020-00256.<sup>3</sup> The current version of the 2023 LKE CAM was approved in Case No. PUR-2019-00200.<sup>4</sup> Under the updated 2023 Agreement, KU/ODP will exchange with LG&E, LK Services, LKE, PPL, and PPL Services certain goods and administrative, management, and other services ("Services").<sup>5</sup>

<sup>1</sup> KU/ODP is the Virginia utility portion of Kentucky Utilities, Inc. ("KU"). The Application lists Louisville Gas & Electric Company ("LG&E"); LG&E and KU Energy LLC ("LKE"); LG&E and KU Services Company ("LK Services"); PPL Corporation ("PPL"); and PPL Services Corporation ("PPL Services") as affiliates ("Service Affiliates") of KU/ODP and parties to the 2023 Agreement and 2023 LKE CAM.

<sup>2</sup> Code § 56-76 *et seq.*

<sup>3</sup> See *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority to engage in affiliate transactions*, Case No. PUR-2020-00256, 2020 S.C.C. Ann. Rept. 632, Order Granting Approval (Dec. 15, 2020).

<sup>4</sup> See *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of the proposed amended and restated 2019 Cost Allocation Manual*, Case No. PUR-2019-00200, 2020 S.C.C. Ann. Rept. 367, Order Granting Approval (Feb. 12, 2020).

<sup>5</sup> The term "Services" refers to: (a) goods exchanged between KU/ODP and a Service Affiliate; (b) direct Services exchanged between KU/ODP and a Service Affiliate, and (c) indirect Services passed from a Service Affiliate through LK Services to KU/ODP ("Pass Through Services"). See Application, Exhibit 2 (2023 LKE CAM) at 11-25, and Exhibit 4 (PPL CAM) at 10-22; and the Responses to Staff Data Request ("DR") Nos. 1-4 and 2-11, which are attached to the Commission Staff ("Staff") action brief filed concurrently with this order.

The purpose of the Application stems from PPL's May 25, 2022 acquisition of Narragansett Electric Company d/b/a Rhode Island Energy ("Narragansett") from National Grid plc.<sup>6</sup> The Application states that during the course of integrating Narragansett, PPL analyzed its corporate structure to: (1) share best practices; (2) consider a more consolidated shared services approach; and (3) improve operational efficiency and reduce costs at its utilities.<sup>7</sup> As a result of its review, PPL merged PPL EU Services into PPL Services earlier this year.<sup>8</sup> For the next several years, PPL plans to keep separate its two remaining service companies, PPL Services and LK Services, which will continue to provide administrative, technical, management, engineering, legal, accounting, and other services to PPL affiliates.<sup>9</sup> PPL's organizational changes, though, require certain updates and changes that have been incorporated into the proposed 2023 Agreement and the 2023 LKE CAM, as discussed below.

First, the Application proposes to remove PPL EU Services from the 2023 Agreement, as it is no longer a separate legal entity, as well as PPL Capital Funding, Inc., as it no longer provides Services to KU/ODP.<sup>10</sup>

Second, the Application states that as a result of the PPL reorganization, certain Services previously provided by LK Services to KU/ODP and LG&E will now be provided by PPL Services. The transferred Services will include but not be limited to: (1) Corporate Audit Services; (2) Corporate Operations & Integration; (3) Corporate Security; (4) Enterprise Security; (5) Financial; (6) Human Resources; (7) Information Technology; (8) Office of General Counsel; (9) Public Affairs; (10) Supply Chain; and (11) PPL Services Corporate.<sup>11</sup> The transfer of Services began in August 2021 and will continue until centralization is complete.<sup>12</sup> Through October 31, 2022, 163 LK Service employees have been transferred to PPL Services.<sup>13</sup>

Services that PPL Services will provide individually for KU/ODP, such as an internal audit, will be directly assigned to KU/ODP.<sup>14</sup> Services that PPL Services provides to a group of PPL affiliates, such as a corporate-wide annual audit, will be charged to LK Services<sup>15</sup> in accordance with the 2023 PPL Cost Allocation Manual ("PPL CAM") and then allocated to KU/ODP in accordance with the 2023 LKE CAM.<sup>16</sup> The Applicant represents that PPL Services will provide the Services at cost.<sup>17</sup>

LK Services will continue to provide certain operating services (Customer Services and Transmission Services) and shared services (State Regulation and Rates, Utility Accounting, Financial Planning and Budgeting, and Corporate Communications) directly to LG&E and KU/ODP.<sup>18</sup> The Applicant represents that there will be no duplication of Services between LK Services and PPL Services.<sup>19</sup>

KU/ODP also proposes to update the 2023 Agreement to allow KU/ODP and LG&E to supply telecommunication Services, use of facility space, and other services ("Supplied Services") directly to PPL Services at the election of KU/ODP or LG&E.<sup>20</sup> Under the Current Agreement, KU/ODP provides the Supplied Services only to LK Services. The Applicant represents that as PPL Services increases the range of Services it provides to LKE and its subsidiaries, it will have a greater need for the Supplied Services.<sup>21</sup> The Supplied Services will be priced at fully distributed cost.

As part of the PPL consolidation process, the PPL CAM and 2019 LKE CAM were updated and aligned. Several new assignment/allocation methods are added to the 2023 LKE CAM to align the two CAMs, including but not limited to: (1) the Book Enterprise Value Ratio; (2) the Rate Base Ratio; (3) the Statement of Values Ratio; and (4) the Total Spend Ratio.<sup>22</sup>

<sup>6</sup> See Application at 4-5.

<sup>7</sup> *Id.* at 5.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 6.

<sup>12</sup> See Response to Staff DR No. 2-12, which is attached to the Staff action brief filed concurrently with this order.

<sup>13</sup> *Id.*

<sup>14</sup> See Response to Staff DR No. 2-11, which is attached to the Staff action brief filed concurrently with this order.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* The transfer of Services from LK Services to PPL Services may increase the amount of indirect versus direct affiliate transactions for KU/ODP, which should appear as an increase in Pass-Through Service Cost transactions in KU/ODP's Annual Report of Affiliate Transactions ("ARAT").

<sup>17</sup> See Application at 6.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.* at 5.

<sup>21</sup> See Response to Staff DR No. 1-6, which is attached to the Staff action brief filed concurrently with this order.

<sup>22</sup> See Response to Staff DR No. 1-7, which is attached to the Staff action brief filed concurrently with this order.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief and having considered the Applicant's comments<sup>23</sup> thereon, is of the opinion and finds that the proposed 2023 Agreement and 2023 LKE CAM are in the public interest and shall be approved subject to the requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Applicants are granted approval of the 2023 Agreement and the 2023 LKE CAM subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

<sup>23</sup> The Applicant's comments, which are attached to the Staff action brief filed concurrently with this order, include an errata schedule that highlights certain existing executive services inadvertently omitted from the proposed 2023 LKE CAM filed with the Application.

## APPENDIX

1) The Commission's approval shall extend for five years from January 1, 2023, through December 31, 2027. If the Applicant wishes to continue the 2023 Agreement and the 2023 LKE CAM beyond that date, separate approval shall be required.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The Commission's approval shall be limited to the specific Services identified and described in the 2023 Agreement and the 2023 LKE CAM. If KU/ODP wishes to exchange Services not specifically identified and described in the 2023 Agreement and 2023 LKE CAM, separate approval shall be required.

4) Separate Commission approval shall be required for KU/ODP to exchange Services with any affiliates other than the Service Affiliates under the 2023 Agreement.

5) KU/ODP shall provide a formal acknowledgement ("Acknowledgement") that the Commission regulates recovery of any Pass-Through Service costs for the purpose of determining the amount of such costs that are includible in KU/ODP's cost of service. Such Acknowledgement shall be filed with the executed copy of the approved 2023 Agreement and the approved 2023 LKE CAM.

6) For all Pass-Through Service transactions, upon request, LK Services shall obtain and provide original records (invoices, etc.) of the costs and provide KU/ODP with a Report that details the costs by: Service Affiliate, month, service category, FERC account, and amount as the costs are recorded in KU/ODP's books. The Report shall be in Excel electronic media format, with formulas intact, so that Staff can tabulate and sort the data for analysis in future rate proceedings. The Report shall cover the prior January 1-December 31 calendar year and be submitted with KU/ODP's ARAT to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") each year.

7) For all Services exchanged directly or indirectly between KU/ODP and the Service Affiliates, KU/ODP shall maintain records, available upon request, demonstrating that the exchanged Services are cost beneficial to Virginia ratepayers.

- (a) Any Services exchanged between KU/ODP and a rate-regulated Service Affiliate shall be priced at cost.
- (b) For Services provided by KU/ODP to an unregulated Service Affiliate where a market may exist, KU/ODP shall investigate whether market prices are available and if they exist, KU/ODP shall compare its cost to the market price and charge the higher of cost or market.
- (c) For Services received by KU/ODP from an unregulated Service Affiliate where a market may exist, KU/ODP shall investigate whether market prices are available and if they exist, KU/ODP shall compare the Service Affiliate's cost to the market price and pay the lower of cost or market.
- (d) KU/ODP shall bear the burden of proving, in any rate proceeding, that it complied with the Commission's pricing policy as stated above.

8) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

9) Separate Commission approval shall be required for any changes in the terms and conditions of the 2023 Agreement and 2023 LKE CAM.

10) The Commission reserves the right to examine the books and records of KU/ODP and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by the Commission.

11) KU/ODP shall file an executed copy of the approved 2023 Agreement and the approved 2023 LKE CAM within sixty (60) days of the effective date of the order in this case, subject to administrative extension by the Commission's UAF Director.

12) KU/ODP shall include all transactions associated with the approved 2023 Agreement and 2023 LKE CAM in its ARAT submitted to the UAF Director by May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:

- (a) include the case number in which the 2023 Agreement and 2023 LKE CAM were approved;
- (b) list KU/ODP, the Service Affiliates, and the goods and Services exchanged; and
- (c) include schedule(s) in Excel electronic media format, with formulas intact, listing the prior calendar year's goods and Services transactions by Service Affiliate, month, good or Service, FERC account, and amount as the transactions are recorded on KU/ODP's books.

**CASE NO. PUR-2022-00172  
DECEMBER 21, 2022**

APPLICATION OF  
SUMMIT RIDGE ENERGY, LLC

For licensure as a non-exempt shared solar subscriber organization

**ORDER GRANTING LICENSE**

On October 13, 2022, Summit Ridge Energy, LLC ("Summit" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for a license to conduct business as a non-exempt subscriber organization in the shared solar program established pursuant to § 56-594.3 of the Code of Virginia ("Code"). The Company seeks authority to provide service to subscribers in the service territory of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"). In its Application, the Company attested that it would abide by all applicable laws of the Commonwealth and regulations of the Commission as required by 20 VAC 5-340-30 B of the Commission's Rules Governing Shared Solar Program ("Shared Solar Rules").

On October 24, 2022, the Commission entered an Order for Notice and Comment ("Procedural Order") requiring the Company to serve a copy of the Procedural Order electronically upon Dominion on or before October 31, 2022, and to file proof of service on or before November 7, 2022. On October 28, 2022, the Company filed its proof of service.

The Procedural Order also directed that any comments on the Application be filed with the Clerk of the Commission on or before November 14, 2022. No comments were filed.

The Procedural Order further directed the Staff of the Commission ("Staff") to analyze the Application and present its findings in a report ("Report") to be filed on or before November 21, 2022.

The Procedural Order further provided that Summit may file any response to the Report on or before November 30, 2022. Summit filed a letter response on November 21, 2022, stating that it did not have any comments to the Staff Report. Summit requested that the Commission enter an order granting the license on an expedited basis as soon as practicable.

NOW THE COMMISSION, upon consideration of this matter, finds that Summit's Application for a license to conduct business as a non-exempt subscriber organization in the Shared Solar Program should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

- (1) Summit is hereby granted license No. SS-22 to provide shared solar subscription services in the service territory of Dominion. This license to act as a non-exempt subscriber organization is granted subject to the provisions of the Shared Solar Rules, this Order, and other applicable statutes.
- (2) This license is not valid authority for the provision of any product or service not identified herein and within the license itself.
- (3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

**CASE NO. PUR-2022-00173  
DECEMBER 8, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For authority to receive cash capital contributions from an affiliate pursuant to § 56-76 *et seq.* of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On October 13, 2019, Washington Gas Light Company ("WGL" or "Company") filed an application with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),<sup>1</sup> seeking authority to receive cash contributions from its immediate corporate parent, Wrangler SPE LLC ("Wrangler SPE"), up to an aggregate principal amount of \$500 million ("Application"). Wrangler SPE is the bankruptcy-remote special purpose entity established as one of the ring-fencing measures in connection with the merger of AltaGas Ltd. and WGL Holdings, Inc. ("Holdings").<sup>2</sup> Wrangler SPE is a direct subsidiary of Holdings. Through the Application, WGL requests authority to receive cash contributions from Holdings, through Wrangler SPE, from time to time, commencing with the effective date of the Commission's final order in this proceeding through December 31, 2025.<sup>3</sup>

<sup>1</sup> Code § 56-76 *et seq.*

<sup>2</sup> Application at 1.

<sup>3</sup> Application at 2.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

In support of its Application, the Company states that the Commission authorized WGL to receive cash contributions from Holdings through Wrangler SPE in the aggregate principal amount of \$450 million up to December 31, 2022.<sup>4</sup> The Company explains that it will not issue securities to Wrangler SPE at the time of the receipt of cash capital contributions from Wrangler SPE, but will instead reflect the actual cash contributions through an accounting entry on the corporate records of WGL and Wrangler SPE.<sup>5</sup> The Company states that the proceeds of such cash capital contributions would be applied by WGL to support its construction program, to repay short-term and long-term debt, and other corporate purposes.<sup>6</sup>

NOW THE COMMISSION, upon consideration of the Application, and having been advised by its Staff, is of the opinion and finds that approval of the Application is in the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, WGL hereby is granted approval of the Application as described herein subject to certain conditions set forth in the Appendix attached to this Order.

(2) This case is dismissed.

<sup>4</sup> *Id.* at 1. See *Application of Washington Gas Light Company, for authority to receive cash capital contributions from an affiliate pursuant to § 56-76, et seq. of Title 56 of the Code of Virginia*, Case No. PUR-2019-00139, 2019 S.C.C. Ann. Rept. 505, Order Granting Approval (Sept. 24, 2019).

<sup>5</sup> Application at 4.

<sup>6</sup> *Id.* at 5

## APPENDIX

1. WGL is authorized to receive cash capital contributions from Holdings, through Wrangler SPE, in the aggregate amount up to \$500 million, from time to time, from the effective date of this Order through December 31, 2025, for the purposes stated in the Application.
2. WGL shall file a Report of Action within thirty (30) days of the receiving any cash capital contribution pursuant to Appendix Item 1.
3. The approval granted in this case shall have no accounting or ratemaking implications. Specifically, the approval in this case shall not guarantee the recovery of any costs directly or indirectly related to the proposed cash capital contributions.
4. The Commission's approval in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.
5. The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.
6. WGL is required to include all transactions associated with the cash capital contributions in its Annual Report of Affiliate Transactions submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director.

**CASE NO. PUR-2022-00176  
DECEMBER 21, 2022**

JOINT PETITION OF  
SPECTROTEL, INC., and SPECTROTEL ULTIMATE HOLDINGS, LLC

For approval of an indirect transfer of control of Spectrotel of Virginia, LLC, pursuant to Va. Code § 56-88, *et seq.*

**ORDER GRANTING APPROVAL**

On November 4, 2022, Spectrotel, Inc.<sup>1</sup> ("Spectrotel"), and Spectrotel Ultimate Holdings, LLC ("Spectrotel Ultimate") (collectively, "Petitioners"),<sup>2</sup> completed the filing of a Joint Petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>3</sup> requesting approval of the proposed transfer of indirect control ("Transfer") of Spectrotel of Virginia to Spectrotel Ultimate and its parent companies. The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>4</sup>

<sup>1</sup> Spectrotel, Inc., is converting to Spectrotel, LLC, in the course of the Transfer.

<sup>2</sup> The following are also considered Petitioners and have provided the statutorily required verifications: Spectrotel of Virginia, LLC ("Spectrotel of Virginia"); Spectrotel Intermediate Holdings, LLC; Grain Communications Opportunity Fund III Master, L.P.; Grain Communications Opportunity Fund III, LP; Grain Communications Opportunity Fund III (DE Parallel), L.P.; Grain Communications Opportunity Fund III (Parallel), L.P.; Grain Management, LLC; GCOF III GP, LLC; Grain Capital II, LLC; Grain Capital, LLC; Jack Dayan, and David J. Grain.

<sup>3</sup> Code § 56-88 *et seq.*

<sup>4</sup> 5 VAC 5-20-10 *et seq.*

Spectrotel of Virginia is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission.<sup>5</sup> Spectrotel Ultimate will indirectly purchase all of the outstanding equity interests in Spectrotel, thereby acquiring indirect ownership and control of Spectrotel of Virginia.

The Petitioners assert that the proposed Transfer will not involve any change to the operations of Spectrotel of Virginia. The Petitioners further state that Spectrotel of Virginia will continue to provide services to its existing customers at the same rates, terms, and conditions as currently provided. Lastly, information provided with the Petition indicates that Spectrotel of Virginia will continue to have the financial, managerial, and technical resources necessary to provide telecommunications services in Virginia following completion of the proposed Transfer under the control of Spectrotel Ultimate and its parent companies.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Petitioners' Motion is moot, therefore, the Motion should be denied.<sup>6</sup>

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.
- (2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.
- (3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.
- (4) This case is dismissed.

<sup>5</sup> See *Application of Plan B Communications of Virginia, Inc., For reissuance of certificate of public convenience and necessity to provide local exchange telecommunications services to reflect company name change*, Case No. PUC-2012-00057, 2012 S.C.C. Ann. Rept. 204, Order Reissuing Certificates (Sept. 27, 2012).

<sup>6</sup> The Commission has not received a request to review the confidential information submitted in this proceeding. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information, to which the Motion pertains, under seal.

**CASE NO. PUR-2022-00178  
DECEMBER 8, 2022**

APPLICATION OF  
WASHINGTON GAS LIGHT COMPANY

For Authorization to Issue Long-Term Debt Securities and Short-Term Debt

**ORDER GRANTING AUTHORITY**

On October 19, 2022, Washington Gas Light Company ("WGL" or "Company") completed an Application with the Virginia State Corporation Commission ("Commission") under Chapter 3<sup>1</sup> of Title 56 of the Code of Virginia ("Code") for authority to issue long-term debt, short-term debt, and to enter into interest rate hedging transactions. WGL has paid the requisite fee of \$250.

The Company requests authority to issue up to \$650 million in long-term securities in the form of bonds, notes and other forms of indebtedness ("Long-Term Securities") and up to \$750 million in short-term debt ("Short-Term Securities") from January 1, 2023, through December 31, 2025.<sup>2</sup> The amount of short-term indebtedness requested is in excess of 12% of total capitalization as defined in § 56-65.1 of the Code. In addition, the Company requests authority to enter into one or more interest rate hedging transactions in association with the issuance of new Long-Term Securities.

WGL states that the proceeds from the issuance of any Long-Term Securities will be used to refund maturing long-term debt and for general corporate purposes such as the funding of capital expenditures, acquisition of property, working capital requirements and the retirement of short-term debt. Long-Term Securities may also be used for the advanced refunding of long-term debt as market conditions permit. Proceeds from the Short-Term Securities will be used to fund the Company's temporary and seasonal cash needs and to maintain financing flexibility.

WGL will only enter into interest rate hedging transactions in conjunction with the issuance of Long-Term Securities. According to the Company, these transactions will be used for the purpose of reducing uncertainty and controlling the cost of long-term debt.

NOW THE COMMISSION, upon consideration of the Application, and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

<sup>1</sup> Code § 56-55 *et seq.*

<sup>2</sup> The Company was recently authorized to issue \$200 million in short-term borrowings from WGL Holdings, Inc., in Case No. PUR-2022-00158. See *Application of Washington Gas Light Company, Request for authority for short-term borrowings from an affiliate*, Case No. PUR-2022-00158, Doc. Con. Cen. No. 221020018, Order Granting Approval (Oct. 7, 2022). The \$750 million requested comprises that \$200 million plus \$550 million in short-term borrowings from external investors.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Accordingly, IT IS ORDERED THAT:

(1) WGL is hereby granted approval of the authority requested in the Application as described herein subject to the requirements set forth in the Appendix attached to this Order.

(2) This matter shall remain subject to the continued review, audit, and appropriate directive of the Commission.

**APPENDIX A**

1. WGL shall be authorized to issue up to \$650 million of Long-Term Securities for the period beginning January 1, 2023, and ending December 31, 2025, under the terms and conditions and for the purposes stated in the application.

2. WGL shall be authorized to issue Short-Term Securities in excess of 12% of total capitalization, provided that such indebtedness does not exceed an aggregate outstanding balance of \$750 million for the period beginning January 1, 2023, and ending December 31, 2025, under the terms and conditions and for the purposes stated in the Application.

3. WGL shall be authorized to enter into interest rate hedging transactions, from the date of the Commission's Order through the period ending December 31, 2025, under the terms and conditions and for the purposes stated in the Application.

4. WGL shall file a preliminary report of action within ten (10) days after the issuance of any long-term debt securities pursuant to this case, with such report to include the type of security, the date of issuance, the amount of issuance, the applicable interest rate, the maturity date, and the proceeds to WGL.

5. WGL shall file a more detailed report of action within sixty (60) days of the end of any calendar quarter, through September 30, 2025, in which long-term debt securities are issued pursuant to this case. Such report shall reflect the cumulative information from preliminary reports filed during the quarter, along with an itemized list of actual expenses incurred to date for the reported debt issued, a statement of how proceeds for each issuance were used, and a detailed description of closing of any hedging activity (gains or losses) associated with each issue of debt.

6. WGL shall file a report of action on or before February 15 of 2023 and 2024, concerning WGL's short-term debt activity for the preceding calendar year. Such reports shall include the type, amount, issuance date, maturity, and interest rate on each form of borrowing, the average daily balance, the maximum outstanding balance for each month, and any associated fees incurred for short-term debt borrowings for each month.

7. WGL shall file a final report of action on or before March 1, 2026. Such report shall include the information indicated in Item 5 for the quarter ending December 31, 2025, along with a detailed summary of actual expenses incurred to date for all long-term issued pursuant to this case. The final report shall also include the information indicated in Item 6 for short-term debt activity during the calendar year ending December 31, 2025.

8. The approval granted in this case shall have no accounting or ratemaking implications.

**CASE NO. PUR-2022-00181  
NOVEMBER 22, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and SOLAR AFFILIATES

For approval to enter into an Inventory Purchase and Sale Agreement under Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On October 21, 2022, Virginia Electric and Power Company<sup>1</sup> and the Solar Affiliates<sup>2</sup> (collectively "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission") for approval of an Inventory Purchase and Sale Agreement ("Sharing Agreement") under Chapter 4<sup>3</sup> of Title 56 of the Code of Virginia ("Code") by which the Applicants can purchase and sell certain materials, equipment, supplies, and capitalized spare parts inventory ("Assets")<sup>4</sup> with each other on as-needed basis for the operation of their businesses.

<sup>1</sup> Virginia Electric and Power Company does business in Virginia as Dominion Energy Virginia ("DEV").

<sup>2</sup> The current Solar Affiliates consist of Dominion Generation, Inc., Dominion Solar Projects IV, Inc., Dominion Solar Projects V, Inc., Dominion Solar Projects VI, Inc., Dominion Solar Projects VII, Inc., and Dominion Solar Holdings IV, LLC. The Application also includes potential future subsidiaries of the current Solar Affiliates as Applicants. See confidential Applicants' Response to Staff DR No. 1-1, which is attached to the Staff action brief filed concurrently with this order.

<sup>3</sup> § 56-76 *et seq.*

<sup>4</sup> Application at 1; See also Applicants' Response to Staff data request ("DR") No. 1-3 for a description of the type of assets covered in the Agreement, which is attached to the Staff action brief filed concurrently with this order.

The Applicants assert that from time to time, DEV or a Solar Affiliate require certain Assets for the maintenance of their distribution, transmission, or generation facilities ("Facilities").<sup>5</sup> The Applicants further assert that in the current environment, they may face equipment shortages or long lead times when seeking to acquire Assets from third-party suppliers, which could jeopardize the reliable operation of the Facilities.<sup>6</sup> Accordingly, the Applicants seek to purchase or sell Assets with each other on an as-needed basis to maintain the reliability of their respective Facilities.<sup>7</sup>

The Applicants represent that all Asset purchases or sales will be completely voluntary.<sup>8</sup> DEV will have no obligation to transfer an Asset to a Solar Affiliate.<sup>9</sup> The process for determining priority for an Asset is as follows: (1) DEV will receive priority on Assets; and (2) if two other Applicants require an Asset, priority will be given based on impacts to the following categories, in the following order: (i) safety; (ii) environmental and regulatory compliance; and (iii) financials.<sup>10</sup>

The Applicants further represent that the Asset transaction will comply with the Commission's asymmetric pricing policy for transactions with unregulated affiliates.<sup>11</sup> The Applicants state that DEV Asset purchases from a Solar Facility will be at the lower of net book value<sup>12</sup> or market price<sup>13</sup> on the date of the purchase.<sup>14</sup> The Applicants provide that DEV Asset sales to a Solar Facility will be at the higher of net book value or market price on the date of the sale.<sup>15</sup> Also, the Applicants provide that upon consummation of an Asset transaction, the purchaser assumes all liabilities, costs, fees, expenses and obligations arising out of the ownership, maintenance, storage, operation and use of the Asset, which includes loading and transporting the Asset.<sup>16</sup>

The Applicants represent that the proposed Sharing Agreement should allow DEV and the Solar Affiliates to share Assets in a reliable, cost-effective manner that is similar to other DEV-affiliate inventory sharing arrangements recently approved by the Commission.<sup>17</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed Sharing Agreement is in the public interest and shall be approved subject to the requirements listed in the Appendix attached to this order.

The Applicants represent that DEV will have priority for the Assets. We direct DEV to maintain records demonstrating that for each DEV sale of Asset(s) to a Solar Affiliate, it declined to exercise its priority for the Asset(s).

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Applicants are granted approval of the Sharing Agreement subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

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<sup>5</sup> Application at 4.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> See Applicants' Response to Staff DR No. 1-4, which is attached to the Staff action brief filed concurrently with this order.

<sup>10</sup> *Id.*

<sup>11</sup> See Application at 6.

<sup>12</sup> Net book value is stated as "equal to (i) the weighted average inventory cost paid for the Asset, plus (ii) any freight, taxes, and overhead costs assignable to the inventory and included in the average inventory cost calculation." See Attachment A (Transaction Summary) of the Application at 2, Q&A No. 3.

<sup>13</sup> See Applicants' Response to Staff DR No. 1-5, which is attached to the Staff action brief filed concurrently with this order.

<sup>14</sup> Application at 5.

<sup>15</sup> *Id.*

<sup>16</sup> See Applicants' Response to Staff DR No. 1-7, which is attached to the Staff action brief filed concurrently with this order.

<sup>17</sup> Application at 6.

## APPENDIX

- 1) The Commission's approval shall extend for five years from the effective date of the order in this case. If the Applicants wish to continue the Sharing Agreement beyond that date, separate approval shall be required.
- 2) The Commission's approval shall have no accounting or ratemaking implications.
- 3) DEV shall maintain records, available to Staff upon request, demonstrating that for each DEV sale of Asset(s) to a Solar Affiliate, it declined to exercise its priority for the Asset(s).
- 4) The Commission's approval shall be limited to the types and categories of Assets identified for the approved Sharing Agreement. If the Applicants wish to share any Assets not identified for the Sharing Agreement, separate approval shall be required.
- 5) DEV shall maintain records, available to Staff upon request, demonstrating that the transactions under the Sharing Agreement are cost-beneficial to Virginia ratepayers. If DEV purchases an Asset from a Solar Affiliate, the purchase price shall be the lower of net book value or market price on the date of the purchase. If DEV sells an Asset to a Solar Affiliate, the sales price shall be the higher of net book value or market price on the date of the sale. DEV shall bear the burden of proving, in any rate proceeding, that it complied with the pricing policy described above for Sharing Agreement transactions.
- 6) Separate Commission approval shall be required for any changes in the terms and conditions of the Sharing Agreement.
- 7) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.
- 8) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by the Commission.
- 9) DEV shall file with the Commission an executed copy of the approved Sharing Agreement within sixty (60) days of the effective date of the order in this case, subject to administrative extension by the Director of the Commission's Division of Utility Accounting and Finance ("UAF Director").
- 10) DEV shall include all transactions associated with the approved Sharing Agreement in its Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director by May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall:
  - (a) List the case number in which the 2022 Agreement was approved.
  - (b) List DEV and the current and future Solar Affiliate(s),<sup>18</sup> and
  - (c) Include schedule(s) in Excel electronic media format, with formulas intact, listing the prior calendar year's Asset transactions by month, type of Asset, FERC account, and dollar amount, as the transactions are recorded on DEV's books.

<sup>18</sup> The Applicants shall file notices with the Commission within 30 days after new Solar Affiliates are added to the Sharing Agreement.

**CASE NO. PUR-2022-00185  
DECEMBER 8, 2022**

APPLICATION OF  
ACN COMMUNICATION SERVICES VIRGINIA, LLC

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

**ORDER CANCELLING CERTIFICATE**

On October 26, 2022, ACN Communication Services Virginia, LLC ("ACN Communication" or "Company") filed an application with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate") issued to the Company to provide local exchange telecommunications services in the Commonwealth of Virginia.<sup>1</sup> The Company states that customers have been moved to its certificated parent company. On October 28, 2022, ACN Communication filed a request seeking the return of the Company's surety bond on file with the Commission in conjunction with cancellation of its Certificate.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-626 should be cancelled, that any tariffs on file associated with the certificates should be cancelled, and that the Company's surety bond should be released.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed as Case No. PUR-2022-00185.
- (2) Certificate No. T-626 issued to ACN Communication Services Virginia, LLC, to provide local exchange telecommunications services, is hereby cancelled.
- (3) Any tariffs on file with the Commission associated with Certificate No. T-626 are hereby cancelled.

<sup>1</sup> See *ACN Communication Services Virginia, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2004-00022, 2004 S.C.C. Ann. Rept. 232, Final Order (June 10, 2004) (granting Certificate No. T-626).

(4) The bond associated with Certificate No. T-626 is hereby released and shall be returned by the Commission's Division of Public Utility Regulation as requested.

(5) This case is dismissed.

**CASE NO. PUR-2022-00186  
DECEMBER 2, 2022**

APPLICATION OF  
COLUMBIA GAS OF VIRGINIA, INC.

For authority to issue long-term debt and to participate in an intrasystem money pool arrangement with an affiliate

**ORDER GRANTING AUTHORITY**

On November 1, 2022, Columbia Gas of Virginia, Inc. ("CVA" or "Company") completed an application ("Application") with the State Corporation Commission ("Commission"), under Chapters 3 and 4 of Title 56 of the Code of Virginia ("Code"),<sup>1</sup> requesting authority to issue up to \$210 million in Long-Term Promissory Notes ("Notes") and to participate in the NiSource, Inc. Intrasystem Money Pool ("Money Pool"). CVA paid the requisite fee of \$250.

The Company requests the authority to issue up to \$210 million in Notes and to incur short-term indebtedness up to \$175 million through the Money Pool from time to time for the period January 1, 2023, through December 31, 2024. More specifically, the Company requests the authority to issue the Notes to permanently finance its capital program, refinance outstanding debt maturities, and for other corporate purposes. The Application states that CVA requests approval to incur short-term indebtedness to meet short-term requirements, including gas purchases, gas storage, and for general working capital purposes. The Company notes that the requested authority to incur short-term indebtedness exceeds twelve percent of its total capitalization, which requires Commission approval pursuant to Code § 56-65.1.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that, subject to the requirements set forth in the Appendix attached hereto, approval of the authority requested in the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) CVA is authorized to issue up to \$210 million in Notes and to incur short-term indebtedness up to \$175 million through the Money Pool from time to time for the period January 1, 2023, through December 31, 2024, subject to the requirements set forth in the Appendix attached hereto.

(2) This matter remains under the continued review, audit, and appropriate directive of the Commission.

<sup>1</sup> Code §§ 56-55 and 56-76 *et seq.*

**APPENDIX**

1. The Company shall be authorized to issue up to \$210 million of Notes to NiSource Inc., for the period January 1, 2023, through December 31, 2024, under the terms and conditions and for the purposes set forth in the Application.

2. The Company shall be authorized to borrow up to the aggregate maximum balance of \$175 million in short-term indebtedness through the Money Pool for the period January 1, 2023, through December 31, 2024, for the purposes and under the terms and conditions set forth in the Application.

3. Commission approval shall be required for any subsequent changes in the terms and conditions, as well as participating members, of the Money Pool.

4. CVA shall file with the Clerk of the Commission an annual report of action no later than February 29, 2024, to report on its Money Pool activities during the previous calendar year. Such report shall include a monthly schedule of daily short-term borrowings by CVA, the average monthly balance, the average monthly interest rate, and the monthly maximum amount of short-term debt outstanding. The annual report shall also provide a summary of all Notes issued pursuant to Appendix Paragraph 1 during the previous calendar year to include for each respective issue:

- (a) The issuance date, amount issued, interest rate, date of maturity, and proceeds to CVA;
- (b) A brief description of how the proceeds were used; and
- (c) A brief explanation of the reasons for the term of maturity chosen, and a copy of the Bloomberg Index information used to determine the interest rate on each respective Note.

5. CVA shall file a final report of action with the Clerk of the Commission no later than February 28, 2025. The final report shall detail CVA Money Pool activities during the period of authority and shall include a monthly schedule of daily short-term borrowings, the average monthly balance, the average monthly interest rate, and the monthly maximum amount of short-term debt outstanding. The final report shall also provide a summary of all Notes issued pursuant to Appendix Paragraph 1 during the entire period of authority to include for each respective issue:

- (a) The issuance date, amount issued, interest rate, date of maturity, and proceeds to CVA;
- (b) A brief description of how the proceeds were used; and
- (c) A brief explanation of the reasons for the term of maturity chosen, and a copy of the Bloomberg Index information used to determine the interest rate on each respective Note.



6. CVA shall include in its Annual Report of Affiliate Transactions a reference to each of the aforementioned reports of action for Staff's monitoring, by case number, type of financing, and date the report was filed.

7. The authority granted herein shall not preclude the Commission from applying the provisions of Code § 56-76 *et seq.* hereafter.

8. The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

9. The approval granted in this case shall have no ratemaking implications.

10. This matter shall remain under continued review, audit, and appropriate directive of the Commission.

**CASE NO. PUR-2022-00188  
NOVEMBER 22, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY, INC.

For approval of authority to modify and continue an Inter-Company Credit Agreement under Chapters 3 and 4, Title 56 of Code of Virginia

**ORDER GRANTING APPROVAL**

On November 1, 2022, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV" or the "Company") and Dominion Energy, Inc. ("DEI") (collectively ("Applicants"), filed a joint application ("Application") with the State Corporation Commission ("Commission") under Chapters 3<sup>1</sup> and 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code") for authority to modify and continue an Inter-Company Credit Agreement ("Credit Agreement"). Under the existing Credit Agreement, the Company is currently authorized to borrow up to \$1 billion of short-term debt from its parent, DEI.<sup>3</sup> Applicants paid the requisite fee of \$250.

Applicants propose three amendments to the Credit Agreement to: (1) increase the limit of short-term borrowings from \$1 billion to \$3 billion; (2) provide for a transition from the London Inter-Bank Offering Rate ("LIBOR") to the Secured Overnight Financing Rate ("SOFR") as the alternative spread-based rate applied when an outstanding commercial paper rate is not available; and (3) extend the requested authority through December 31, 2024 ("Amended Credit Agreement"). All other terms and conditions relative to the existing Credit Agreement would remain the same.

The Company explains in the Application that the requested increase in the borrowing limit is needed to finance increased working capital needs related to deferred fuel costs and to provide more financing flexibility during a time of increased volatility in interest rates and credit spreads. With the increased borrowing limit requested for the Amended Credit Agreement, the Company notes that short-term debt may exceed twelve percent of total capitalization as defined in § 56-65.1 of the Code. The Company further states that the transitions from an indexed rate based on LIBOR to SOFR is necessary because LIBOR is formally scheduled to cease in June 2023. Furthermore, it is consistent with a similar LIBOR to SOFR change recently authorized in Case No. PUR-2022-00130.<sup>4</sup>

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application is in the public interest.

Accordingly, IT IS ORDERED THAT:

- (1) DEV is authorized to implement the Amended Credit Agreement subject to certain conditions outlined in the Appendix attached to this order.
- (2) This case is continued.

<sup>1</sup> Va. Code § 56-55 *et seq.*

<sup>2</sup> Va. Code § 56-76 *et seq.*

<sup>3</sup> See *Application of Virginia Electric and Power Company and Dominion Energy, Inc., For authority to modify and continue an Inter-Company Credit Agreement under Chapters 3 and 4 of Title 56 of the Code of Virginia*, Case No. PUR-2018-00045, 2018 S.C.C. Ann. Rept. 395, Order Granting Authority (April 9, 2018).

<sup>4</sup> See *Application of Virginia Electric and Power Company, For authority to establish a credit facility under Chapters 3 and 4, Title 56 of the Code of Virginia*, Case No. PUR-2022-00130, Doc. Con. Cen. No. 220930034, Order Granting Approval (Sept. 22, 2022).

**APPENDIX**

1. The Company is hereby authorized to borrow funds from DEI through the Amended Credit Agreement up to the maximum limit of \$3 billion, under the terms and conditions and for the purposes set forth in the Application through December 31, 2024.

2. The Company is hereby authorized to incur short-term indebtedness in excess of twelve percent (12.0%) of total capitalization up to the combined limit of short-term borrowings authorized under the Amended Credit Agreement in this case and the Amended Core Credit Facility in Case No. PUR-2022-00130.

3. The authority in this case shall supersede and terminate the authority in Case No. PUR--2018-00045.
4. Separate Commission approval shall be required for any changes in the terms and conditions of the Amended Credit Agreement.
5. The Commission's approval shall have no accounting or ratemaking implications.
6. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code § 56-76 *et seq.* hereafter.
7. The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.
8. The Company shall file with the Commission a signed and executed copy of the Amended Credit Agreement within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Commission's UAF Director.
9. On or before March 31 of each year after the Amended Credit Agreement is active, the Company shall file a report detailing the use of the Amended Credit Agreement for the previous year, which shall include the date, amount, and applicable interest rate of each loan under the Amended Credit Agreement.
10. This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

**CASE NO. PUR-2022-00189  
DECEMBER 15, 2022**

APPLICATION OF  
VIRGINIA ELECTRIC AND POWER COMPANY and VIRGINIA POWER SERVICES, LLC

For approval of an amendment to revised affiliate agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

**ORDER GRANTING APPROVAL**

On November 1, 2022, Virginia Electric and Power Company<sup>1</sup> and Virginia Power Services, LLC ("VPS") (collectively "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") for approval of an amendment ("Amendment") to a revised affiliate agreement (with Amendment, "Amended Agreement") pursuant to Chapter 4<sup>2</sup> of Title 56 of the Code of Virginia ("Code"). The Amendment changes the pricing basis for the current \$1 billion inter-company credit agreement ("Current Agreement") from the Federal Funds rate to SOFR.<sup>3</sup>

<sup>1</sup> Virginia Electric and Power Company does business in Virginia as Dominion Energy Virginia ("DEV").

<sup>2</sup> Code § 56-76 *et seq.*

<sup>3</sup> SOFR stands for the Secured Overnight Financing Rate.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Commission has approved prior versions of the Current Agreement in five cases since 1998.<sup>4</sup> Under the Current Agreement, DEV utilizes VPS as a conduit to pass financing from the Current Agreement through the Other Credit Agreements<sup>5</sup> to VPSE and VPN.<sup>6</sup> VPSE exists to procure oil and natural gas inventory and assets on DEV's behalf so that DEV can avoid taxation in states other than those in which it traditionally operates.<sup>7</sup> The Applicants represent that tax avoidance (i.e., preventing tax nexus in other states and not becoming subject in those states to having to pay taxes) is a substantial benefit to DEV and its customers.<sup>8</sup> VPN provides nuclear management and operation services. The Applicants represent that VPS, VPSE, and VPN were not established to be financially self-sufficient and require funding to remain viable entities.<sup>9</sup>

The purpose of the Application is to seek approval of an Amendment to the Current Agreement, i.e., the Amended Agreement, that changes the price basis for the financing from the Federal Funds rate to SOFR, consistent with DEV's other credit agreements.<sup>10</sup>

The Applicants state that "SOFR is a market-based rate with significant transaction volume that is a broad measure of the cost to borrow cash overnight collateralized by U.S. Treasuries in the repo market, published on a daily basis."<sup>11</sup> The Adjustable Interest Rate Act signed March 15, 2022, by President Biden, establishes SOFR as a default replacement rate for LIBOR<sup>12</sup> contracts that lack mechanisms to deal with LIBOR's cessation in June 2023.<sup>13</sup>

Specifically, the Amended Agreement will provide that:

interest accrues daily at a rate no greater than the dollar weighted average rate of the Company's outstanding commercial paper and/or its revolving credit borrowings from third-party lenders of such day. If no such commercial paper or borrowing is outstanding on any day, then the interest rate for such subject day is determined by adding (a) the difference between (i) the dollar weighted average interest rate of such commercial paper and/or borrowing on the then most recent day any such commercial paper and/or borrowing was outstanding and (ii) SOFR on such prior day, plus (b) SOFR for such subject day.<sup>14</sup>

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief and having considered the Applicant's comments thereon, is of the opinion and finds that the proposed Amendment to the Current Agreement, i.e., the Amended Agreement, is in the public interest and is approved subject to the requirements listed in the Appendix attached hereto to this order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Applicants are granted approval of the Amended Agreement subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

<sup>4</sup> See *Application of Virginia Electric and Power Company and Virginia Power Services, LLC, For approval of a revised affiliate agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2019-00138, 2019 S.C.C. Ann. Rept. 503, Order Granting Approval (Nov. 18, 2019); *Application of Virginia Electric and Power Company and Virginia Power Services, LLC, For approval of a Revised Affiliate Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2014-00063, 2014 S.C.C. Ann. Rept. 458, Order Granting Approval (Sept. 29, 2014); *Application of Virginia Electric and Power Company and Virginia Power Services, LLC, For approval of a Revised Affiliate Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2012-00059, 2012 S.C.C. Ann. Rept. 465, Order Granting Approval (Aug. 13, 2012); *Application of Virginia Electric and Power Company, Dominion Resources, Inc., Virginia Power Services, Inc., Virginia Power Services Energy Corp., Inc., and Virginia Power Energy Marketing, Inc., For approval of the transfer of Virginia Power Energy Marketing, Inc., from Virginia Electric and Power Company to Dominion Resources, Inc., and for approval of technical changes to previously approved affiliate agreements, or alternatively, an exemption from the filing and prior approval requirements of the Affiliates Act pursuant to Chapter 4, Title 56 of the Code of Virginia*, Case No. PUE-2005-00099, 2005 S.C.C. Ann. Rept. 491, Order Granting Approval (Dec. 21, 2005); *Application of Virginia Electric and Power Company, For approval of affiliate transactions with Virginia Energy Marketing, Inc.*, Case No. PUA-1998-00038, 1999 S.C.C. Ann. Rept. 148, Order Granting Approval (Jan. 28, 1999).

<sup>5</sup> The Other Credit Agreements are the financing agreements between VPS and its two subsidiaries, Virginia Power Services Energy Corp., Inc. ("VPSE"), and Virginia Power Nuclear Services Company ("VPN").

<sup>6</sup> See Application at 5.

<sup>7</sup> See Applicants' Response to Staff Data Request No. 1-1, which is attached to the Commission Staff ("Staff") Action Brief filed concurrently with this order.

<sup>8</sup> *Id.*

<sup>9</sup> See Application, Appendix A at 1.

<sup>10</sup> See Application at 2.

<sup>11</sup> *Id.* at 5. "Repo" is short for repurchase agreements, which are collateralized short-term loans often made overnight.

<sup>12</sup> LIBOR stands for London Inter-Bank Offered Rate.

<sup>13</sup> See Staff Action Brief at 4.

<sup>14</sup> See Application at 4-5.

## APPENDIX

- 1) The Commission's approval of the Amended Agreement shall extend from the effective date of this order through December 31, 2024. If the Applicants wish to extend the Amended Agreement beyond that date, separate approval shall be required.
- 2) The Commission's approval shall have no accounting or ratemaking implications.
- 3) Pursuant to the Amended Agreement and Other Credit Agreements, DEV and VPS shall provide a formal acknowledgement that the Commission regulates the recovery of any costs that arise from the Pass-Through Financing,<sup>1</sup> and therefore must be able to determine the effect, if any, of such costs on DEV's cost of service.
- 4) The Applicants shall file, within sixty (60) days after the end of each calendar quarter beginning in 2020, a quarterly Report of Action that includes an Amended Agreement daily outstanding borrowing schedule, which separately lists the ultimate borrower (VPSE or VPN), the amount borrowed, the interest rate charged, and any other fees, terms, or conditions of the financing. This filing shall be subject to administrative extension by the Director of the Commission's Division of Utility Accounting and Finance ("UAF Director").
- 5) DEV shall file an executed copy of the approved Amended Agreement within thirty (30) days of the effective date of the order in this case. This filing shall be subject to administrative extension by the UAF Director. VPS shall maintain executed copies of the Other Credit Agreements, which shall be available upon request for Staff's review.
- 6) Aggregate borrowing under the Amended Agreement shall not exceed \$1 billion. The use of the Amended Agreement shall be limited to the funding of VPN and VPSE activities undertaken on DEV's behalf.
- 7) Separate Commission approval shall be required for any changes in the terms and conditions of the Amended Agreement.
- 8) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.
- 9) The Commission shall reserve the right to examine the books and records of DEV and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.)

<sup>1</sup> Pass-Through Financing is the process by which DEV utilizes VPS as a conduit to pass through financing to VPSE and VPN.

**CASE NO. PUR-2022-00190  
NOVEMBER 22, 2022**

APPLICATION OF  
ATMOS ENERGY CORPORATION

For approval to incur short-term indebtedness pursuant to Title 56, Chapter 3 of the Virginia Code.

**ORDER GRANTING AUTHORITY**

On October 31, 2022, Atmos Energy Corporation ("Atmos" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code") requesting authority to incur short-term indebtedness of no more than \$2.85 billion during a twelve-month period from January 1, 2023, to December 31, 2023.<sup>1</sup> The requested amount of short-term indebtedness is in excess of 12% of Atmos' total capitalization as defined in § 56-65.1 of the Code, and thus, requires prior Commission approval. Atmos paid the requisite fee of \$250.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that, subject to the requirements set forth in the Appendix attached hereto, approval of the authority requested in the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

- (1) Atmos is authorized to incur short-term indebtedness in excess of twelve percent of its total capitalization, with a limit of up to \$2.85 billion at any one time, subject to the requirements set forth in the Appendix attached hereto.
- (2) This matter remains under the continued review, audit, and appropriate directive of the Commission.

## APPENDIX

- 1) Atmos is authorized to incur short-term indebtedness up to the maximum outstanding limit at any one time of \$2.85 billion during the period January 1, 2023, through December 31, 2023, under the terms and conditions and for the purposes set forth in the Application.

<sup>1</sup> Application at 1.

2) Atmos shall file with the Commission a report of action on or before March 15, 2024, to include the daily maximum amount of short-term indebtedness outstanding and the daily weighted average balance and cost rate for each month during the period of authority, along with a balance sheet as of December 31, 2023.

3) The authority granted in this case shall have no accounting or ratemaking implications.

4) If Atmos wishes to obtain authority beyond December 31, 2023, the Company shall file an application for such authority no later than October 31, 2023.

**CASE NO. PUR-2022-00196  
DECEMBER 14, 2022**

APPLICATION OF  
SOUTHWESTERN VIRGINIA GAS COMPANY

For a general rate increase in rates

**ORDER FOR NOTICE AND HEARING**

On November 16, 2022, Southwestern Virginia Gas Company ("SVG" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Gas and Water Utilities<sup>1</sup> requesting authority to increase its rates and charges, and to revise other terms and conditions applicable to its gas service.

SVG seeks a general increase in rates to produce additional annual revenues of \$916,334, representing an overall revenue increase of approximately 17.7%.<sup>2</sup> The Company proposes that this increase in rates be placed into effect for bills rendered on and after March 31, 2023, on an interim basis, and subject to refund, until the Commission issues a final order in this proceeding.<sup>3</sup> SVG proposes to implement the proposed increase through adjustments to both fixed and volumetric components of customer bills.<sup>4</sup> The Company indicates that this rate request is based on a 10.5% return on common equity.<sup>5</sup> SVG states that its proposed rates will result in a bill increase of \$7.88 (or 7.01%) for a residential customer using 100 centum cubic feet of natural gas per month.<sup>6</sup>

In addition to the proposed rate increases, the Company proposes certain changes to its General Rules and Regulations.<sup>7</sup> Specifically, SVG proposes an addition to the Company's policy for connecting new customers to its system designed to confirm that the Company has authority to require that large customers locating in the Company's service territory bear responsibility for costs necessary to extend service to the customer's premises in appropriate situations.<sup>8</sup> Additionally, SVG proposes a revision to the Company's reconnection policy to address certain situations where customers may seek to reconnect service without paying outstanding bills.<sup>9</sup> SVG also proposes other revisions to provide more flexibility for customers to establish service and interact with the Company.<sup>10</sup>

The Company states that since 2020, it has experienced financial impacts attributable to COVID-19, including incremental operating and maintenance expense and lost revenues associated with suspending late fees.<sup>11</sup> SVG indicates that the financial impact through June 30, 2022, has amounted to \$47,972.<sup>12</sup> The Company seeks to recover these costs over a three-year period.<sup>13</sup>

<sup>1</sup> 20 VAC 5-201-10 *et seq.* ("Rate Case Rules").

<sup>2</sup> Application at 2.

<sup>3</sup> *Id.* at 3, 6.

<sup>4</sup> *Id.* at 2.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at 3.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 4.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

Pursuant to 20 VAC 5-201-10 E of the Commission's Rate Case Rules, the Company requests a waiver for reporting information for Southwestern Virginia Energy Industries, Ltd. ("Parent"), and consolidated information of the Parent and the Company as required in Schedules 1, 2, 6, and 7 set forth in 20 VAC 5-201-95.<sup>14</sup> In support of this request, SVG maintains that the Parent has historically never contributed to the raising of capital for the Company; the Parent has historically never assisted the Company in raising capital either by guaranteeing debt or in any other manner securing the Company's obligations; the Parent is a closely held corporation and not traded publicly; and the Parent does not have financial statements prepared for public distribution.<sup>15</sup>

SVG further requests a waiver of the requirement to prepare a jurisdictional cost of service study, Schedule 40 A and B of 20 VAC 5-201-110.<sup>16</sup> The Company asserts that it serves very few governmental non-jurisdictional customers and that those customers pay for service on the basis of Commission-approved rates.<sup>17</sup> Accordingly, SVG states that there is virtually no impact on the per customer cost of service.<sup>18</sup>

Finally, the Company requests that the Commission waive the requirement to file an annual informational filing ("AIF") under 20 VAC 5-201-30 for the 12 months ended June 30, 2022 ("2022 AIF"), which would have been due on October 28, 2022.<sup>19</sup> The Company represents that it inadvertently failed to request a waiver for the 2022 AIF in a timely manner because it was in the process of preparing this application; however, the Company states that this Application includes all required schedules under the Commission's rules applicable to rate cases and to AIFs, including the earnings test schedules for the 12 months ended June 30, 2022, meaning that the Commission will be able to review all information that the Company would otherwise have provided in its 2022 AIF.<sup>20</sup>

In conjunction with the filing of its Application on November 16, 2022, the Company also filed a Motion for Protective Ruling ("Motion") which included a proposed protective ruling to establish procedures governing the use of confidential information in this proceeding.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that SVG should provide notice of its Application; public hearings should be scheduled for the purpose of receiving testimony and evidence on the Company's Application; interested persons should have an opportunity to file comments on the Company's Application or to participate in this proceeding as a respondent; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission, including ruling on SVG's Motion, and filing a final report containing the Hearing Examiner's findings and recommendations. Further, for purposes of making the Application complete and commencing this proceeding, we grant SVG's requests for certain waivers of the Rate Case Rules, as described herein. We also find the proposed rates, charges, and terms and conditions should be suspended pursuant to Code § 56-238, and the Company may, but is not obligated to, implement the proposed rates, charges, and terms and conditions on an interim basis, subject to refund with interest, for bills rendered on and after March 31, 2023.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.<sup>21</sup> Consistent with these actions, 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 hereby is docketed and assigned Case No. PUR-2022-00196.

(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 Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.* 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.<sup>22</sup>

<sup>14</sup> *Id.* at 4-5.

<sup>15</sup> *Id.* at 5.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 6.

<sup>20</sup> *Id.*

<sup>21</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), extended by 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), extended by 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

<sup>22</sup> As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, the 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 § 12.1-31 of the Code and 5 VAC 5-20-120, *Procedures 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, including ruling on the Company's Motion and filing a final report. 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.<sup>23</sup>

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

- (a) A hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on July 18, 2023, with no public witness present in the Commission's courtroom.<sup>24</sup>
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before July 14, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m., on July 18, 2023, the Hearing Examiner assigned 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.
- (e) This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

(6) A hearing will be convened on July 19, 2023, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence from the Company, any respondents, and the Commission's Staff.

(7) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Timothy E. Biller, Esquire, or Andrea D. Gardner, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23219, [tbiller@huntonak.com](mailto:tbiller@huntonak.com), [agardner@huntonak.com](mailto:agardner@huntonak.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(8) On or before February 3, 2023, SVG 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 Virginia service territory:

NOTICE TO THE PUBLIC OF  
SOUTHWESTERN VIRGINIA GAS COMPANY'S  
APPLICATION FOR A GENERAL INCREASE IN RATES  
CASE NO. PUR-2022-00196

- **Southwestern Virginia Gas Company ("SVG") has applied for approval of a general increase in rates.**
- **SVG requests an increase to its total annual revenue requirement of \$916,334.**
- **A Hearing Examiner appointed by the Commission will hold a telephonic hearing in this case on July 18, 2023, at 10 a.m., for the receipt of public witness testimony.**
- **The Hearing Examiner will hold an evidentiary hearing in this case on July 19, 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 State Corporation Commission's website at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).**

<sup>23</sup> Such electronic copies shall be sent to: [Wendy.Starkey@scc.virginia.gov](mailto:Wendy.Starkey@scc.virginia.gov), [LeaAnn.Robertson@scc.virginia.gov](mailto:LeaAnn.Robertson@scc.virginia.gov), and [Kaitlyn.Mcclure@scc.virginia.gov](mailto:Kaitlyn.Mcclure@scc.virginia.gov).

<sup>24</sup> The Hearing Examiner will convene counsel of record in this proceeding to attend the public witness hearing virtually.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On November 16, 2022, Southwestern Virginia Gas Company ("SVG" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-owned Gas and Water Utilities requesting authority to increase its rates and charges, and to revise other terms and conditions applicable to its gas service.

SVG seeks a general increase in rates to produce additional annual revenues of \$916,334, representing an overall revenue increase of approximately 17.7%. SVG proposes to implement the proposed increase through adjustments to both fixed and volumetric components of customer bills. The Company indicates that this rate request is based on a 10.5% return on common equity. SVG states that its proposed rates will result in a bill increase of \$7.88 (or 7.01%) for a residential customer using 100 centum cubic feet of natural gas per month.

In addition to the proposed rate increases, the Company proposes certain changes to its General Rules and Regulations. Specifically, SVG proposes an addition to the Company's policy for connecting new customers to its system designed to confirm that the Company has authority to require that large customers locating in the Company's service territory bear responsibility for costs necessary to extend service to the customer's premises in appropriate situations. Additionally, SVG proposes a revision to the Company's reconnection policy to address certain situations where customers may seek to reconnect service without paying outstanding bills. SVG also proposes other revisions to provide more flexibility for customers to establish service and interact with the Company.

The Company states that since 2020, it has experienced financial impacts attributable to COVID-19, including incremental operating and maintenance expense and lost revenues associated with suspending late fees. SVG indicates that the financial impact through June 30, 2022, has amounted to \$47,972. The Company seeks to recover these costs over a three-year period.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

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

The Commission entered an Order for Notice and Hearing that, among other things, scheduled public hearings on SVG's Application and permitted the Company to place its proposed rates, charges, and terms and conditions into effect on an interim basis, subject to refund, effective March 31, 2023.

On July 18, 2023, at 10 a.m., the Hearing Examiner assigned to the case 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 July 14, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

On July 19, 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 Application from the Company, any respondents, and the Commission's Staff.

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), 5 VAC 5-20-10 *et seq.* 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.

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

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Timothy E. Biller, Esquire, or Andrea D. Gardner, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23219, [tbiller@huntonak.com](mailto:tbiller@huntonak.com), [agardner@huntonak.com](mailto:agardner@huntonak.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On or before July 12, 2023, any interested person may submit comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](https://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-2022-00196.

On or before April 7, 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](https://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. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00196.

On or before May 12, 2023, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling](https://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 listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Company, Commission Staff, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00196.

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

The public version of the Company's Application, the Commission's Rules of Practice, and the Commission's Order for Notice and Hearing may be viewed at: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).

SOUTHWESTERN VIRGINIA GAS COMPANY

(9) On or before February 3, 2023, the Company shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(10) On or before March 3, 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 Commission at [scc.virginia.gov/clk/efiling](https://scc.virginia.gov/clk/efiling).

(11) On or before July 12, 2023, any interested person may submit written comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](https://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-2022-00196.

(12) On or before April 7, 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](https://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 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-2022-00196.

(13) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the public version of its Application on the respondent unless these materials already have been provided to the respondent.

(14) On or before May 12, 2023, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling](https://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 listed 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 Company, Staff, and all other respondents. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00196.

(15) On or before June 9, 2023, the Staff shall investigate the Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Company and all respondents.

(16) On or before June 30, 2023, the Company 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 its 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 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.<sup>25</sup> Except as modified herein, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 *et seq.*

(19) The Company may, but is not obligated to, implement the proposed rates, charges, and terms and conditions on an interim basis, subject to refund with interest, for bills rendered on and after March 31, 2023.

(20) On or before February 28, 2023, SVG shall file a bond with the Commission in the amount of \$916,334 payable to the Commission and conditioned to ensure the prompt refund by the Company to those entitled thereto of all amounts the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine.

(21) The Company's requests for certain waivers of the Rate Case Rules, as described herein, are granted.

(22) This matter is continued.

<sup>25</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00196, in the appropriate box.

**CASE NO. PUR-2022-00201  
DECEMBER 19, 2022**

APPLICATION OF  
FUSION COMMUNICATIONS, LLC

For cancellation of a certificate of public convenience and necessity to provide local exchange telecommunications services

**ORDER CANCELLING CERTIFICATE**

On November 22, 2022, Fusion Communications, LLC ("Fusion" or "Company") filed an application with the State Corporation Commission ("Commission") requesting cancellation of the certificate of public convenience and necessity ("Certificate") issued to the Company to provide local exchange telecommunications services in the Commonwealth of Virginia.<sup>1</sup> Fusion states that it does not have any customers in Virginia for communications services, so none will be affected by the granting of its request.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Certificate No. T-518a should be cancelled, and that any tariffs on file associated with the certificate should be cancelled.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed as Case No. PUR-2022-00201.
- (2) Certificate No. T-518a issued to Fusion Communications, LLC to provide local exchange telecommunications services, is hereby cancelled.
- (3) Any tariffs on file with the Commission associated with Certificate No. T-518a are hereby cancelled.
- (4) This case is dismissed.

<sup>1</sup> See *Application of Cbeyond Communications, LLC, For cancellation and issuance of a certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change*, Case No. PUR-2019-00101, 2019 S.C.C. Ann. Rept. 458, Order Reissuing Certificate (Aug. 2, 2019) (granting Certificate No. T-518a).

**CASE NO. PUR-2022-00205  
DECEMBER 21, 2022**

APPLICATION OF  
ROANOKE GAS COMPANY

For an expedited increase in rates

**ORDER FOR NOTICE AND HEARING**

On December 2, 2022,<sup>1</sup> Roanoke Gas Company ("Roanoke Gas" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for an expedited increase in its rates and charges pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq.*) of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Gas and Water Utilities, 20 VAC 5-201-10, *et. seq.* In the Application, Roanoke Gas requests authority to change its rates and terms and conditions of service, effective on an interim basis, subject to refund, for service rendered on and after January 1, 2023.

Roanoke Gas proposes to increase base rates to provide an additional \$8.55 million in annual revenue, of which \$4.05 million currently is being recovered through the Company's Steps to Advance Virginia's Energy ("SAVE") Rider.<sup>2</sup> Accordingly, Roanoke requests an annual revenue increase which net of a proposed SAVE Rider roll-in of \$4.05 million is an increase of \$4.49 million or 4.17% over test period operating revenues. The Company states that it seeks to terminate its SAVE Plan effective with the implementation of interim rates as requested in this Application.<sup>3</sup> Accordingly, the Company intends to reduce the Projected Factor of its approved SAVE Rider to zero effective December 31, 2022, as the subsequent SAVE-eligible investments would be recovered through the interim rate.<sup>4</sup> The Company states it will continue to bill the True-up Factor under its SAVE Rider as approved by the Commission in the 2022 SAVE Case.<sup>5</sup>

The Company represents that this proposed base rate increase would raise the total monthly bill (inclusive of the current SAVE Rider) of a typical residential customer using four dekatherms ("Dth") per month by \$3.03, or 3.92%.<sup>6</sup> The Company represents that this proposed base rate increase would raise the total monthly bill (inclusive of the current SAVE Rider) of a typical residential customer using 10 Dth per month by \$9.57, or 6.03%.<sup>7</sup> According to the Company, the requested net increase in revenues of \$4.49 million will allow Roanoke Gas the opportunity to earn a 9.44% return on its common equity.<sup>8</sup>

Roanoke Gas also proposes a new meter cost allocator to address concerns raised by Commission Staff ("Staff") in the Company's last rate proceeding as well as a similar allocator for service-related costs.<sup>9</sup> Accordingly, the Company has allocated its increase in rates among the customer classes consistent with the methodology previously approved by the Commission in Case No. PUR-2018-00013,<sup>10</sup> with the exception of the new meter and services cost allocators.<sup>11</sup>

<sup>1</sup> The Company filed its Application on December 2, 2022. On December 13, 2022, Roanoke Gas filed supplemental information to complete its Application.

<sup>2</sup> Application at 3; *see also, Application of Roanoke Gas Company, For approval to implement a 2023 SAVE Projected Factor Rate and True-Up Rate*, Case No. PUR-2022-00086, Doc. Con. Cen. No. 220840176, Final Order (Aug. 23, 2022) ("2022 SAVE Case").

<sup>3</sup> Application at 3.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*, Schedule 43S.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 3. The Company further states that 9.44% represents the return on equity percentage most recently authorized by the Commission. Application at 2; Pre-Filed Direct Testimony of Paul W. Nester at 6; Pre-Filed Direct Testimony of Lawrence T. Oliver at 7. *See also Application of Roanoke Gas Company, For a general increase in rates*, Case No. PUR-2018-00013, 2020 S.C.C. Ann. Rept. 213, Final Order (Jan. 24, 2020) ("2020 Final Order").

<sup>9</sup> Application at 3.

<sup>10</sup> 2020 Final Order at 221.

<sup>11</sup> Application at 3-4.

On December 20, 2022, the Staff filed a report ("Interim Report") on its preliminary review of the Company's Application. The Staff concluded that each of the proposed adjustments in the Company's Application has been previously approved by the Commission for the Company. The Staff states that the Company represents it has experienced no substantial direct changes in circumstance.<sup>12</sup> In addition, Staff noted the return on equity used to determine the revenue requirement in this proceeding is 9.44% and each of the Company's ratemaking adjustments has been previously approved by the Commission for the Company.<sup>13</sup> The Staff further stated that it believes it is appropriate that the Company's proposed rates be placed into effect on an interim basis, subject to refund, for service rendered on and after January 1, 2023.<sup>14</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; Roanoke Gas should provide public notice of its Application; hearings should be scheduled for the purpose of receiving testimony from public witnesses and evidence on the Application; interested persons should have an opportunity to file comments on the Application and to participate as respondents in this proceeding; and Staff should be directed to investigate the Application 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 filing a final report containing the Hearing Examiner's findings and recommendations.

As noted, the Company requests that its rates take effect, subject to refund, for service rendered on or after January 1, 2023. In support of its request for expedited relief, the Company advises the Commission that it has not experienced a substantial change in circumstances. Roanoke Gas proposes to use a 9.44% return on equity as authorized in its most recent base rate case. Further, in its Interim Report, Staff made a preliminary determination that the proposed adjustments in this proceeding are similar to adjustments previously approved by the Commission for Roanoke Gas. The Commission therefore finds that Roanoke Gas has satisfied the specific requirements of Rate Case Rule 20 VAC 5-201-20 D for placing its proposed rates into effect on January 1, 2023, subject to refund, as provided by Rate Case Rule 20 VAC 5-201-20 E. Pursuant to Code § 56-238, the Commission will direct the Company to provide a bond to insure prompt refund of any excess rates or charges.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.<sup>15</sup> Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

We note that the proposed rate increase, if approved, would result in an increase to customer bills. In doing so, the Commission notes its awareness of the ongoing rise in gas prices, inflation, and other economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases, especially in times such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2022-00205.

(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").<sup>16</sup> 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.<sup>17</sup>

(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 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.

<sup>12</sup> Interim Report at 2.

<sup>13</sup> *Id.* As noted above, the Commission allowed the Company to determine the revenue requirement in future expedited rate cases based on a 9.44% return on equity in the Company's last rate case, Case No. PUR-2018-00013.

<sup>14</sup> *Id.*

<sup>15</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK 2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

<sup>16</sup> 5 VAC 5-10-20 *et seq.*

<sup>17</sup> As noted in the Commission's Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(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.<sup>18</sup>

(5) On or before December 30, 2022, Roanoke Gas shall file a bond with the Commission in the amount of \$8.55 million payable to the Commission and conditioned to ensure the prompt refund by the Company to those entitled thereto of all amounts the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine. Subject to filing such bond, Roanoke Gas may place its proposed rates into effect on an interim basis, subject to refund with interest, for service rendered on and after January 1, 2023.

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

- (a) A hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on October 3, 2023, with no public witness present in the Commission's courtroom.<sup>19</sup>
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before September 27, 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](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m., on October 3, 2023, the Hearing Examiner assigned 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.
- (e) This public witness hearing will be webcast at: [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

(7) A public evidentiary hearing shall be convened on October 4, 2023, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony and evidence of the Company, any respondents, and the Staff on the Application.

(8) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for Roanoke Gas, Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23219, or [tbiller@HuntonAK.com](mailto:tbiller@HuntonAK.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(9) On or before January 27, 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:

<sup>18</sup> Such electronic copies shall be sent to: [Wendy.Starkey@scc.virginia.gov](mailto:Wendy.Starkey@scc.virginia.gov), [LeaAnn.Robertson@scc.virginia.gov](mailto:LeaAnn.Robertson@scc.virginia.gov), and [Kaitlyn.Mcclure@scc.virginia.gov](mailto:Kaitlyn.Mcclure@scc.virginia.gov).

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

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

NOTICE TO THE PUBLIC OF  
 ROANOKE GAS COMPANY'S APPLICATION  
 FOR AN EXPEDITED INCREASE IN RATES  
 CASE NO. PUR-2022-00205

- **Roanoke Gas Company ("Roanoke Gas") has applied for approval of an expedited increase in rates.**
- **Roanoke Gas requests a net revenue increase of \$4.49 million per year, which is an increase of 4.17% over test period operating revenues.**
- **Subject to Roanoke Gas providing a bond to insure prompt refund of any excess rates or charges, the Commission has authorized the Company place its proposed rates into effect on an interim basis, subject to refund with interest, for service rendered on and after January 1, 2023.**
- **A Hearing Examiner appointed by the Commission will hold a telephonic hearing in this case on October 3, 2023, at 10a.m., for the receipt of public witness testimony.**
- **The Hearing Examiner will hold an evidentiary hearing in this case on October 4, 2023, at 10 a.m.**
- **Further information about this case is available on the SCC website at: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).**

On December 2, 2022, Roanoke Gas Company ("Roanoke Gas" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for an expedited increase in its rates and charges pursuant to Chapter 10 of Title 56 (§ 56 232 *et seq.*) of the Code of Virginia and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Gas and Water Utilities, 20 VAC 5-201-10, *et seq.* In the Application, Roanoke Gas requests authority to change its rates and terms and conditions of service, effective on an interim basis, subject to refund, for service rendered on and after January 1, 2023.

Roanoke Gas proposes to increase base rates to provide an additional \$8.55 million in annual revenue, of which \$4.05 million currently is being recovered through the Company's Steps to Advance Virginia's Energy ("SAVE") Rider. Accordingly, Roanoke requests an annual revenue increase which net of a proposed SAVE Rider roll-in of \$4.05 million is an increase of \$4.49 million or 4.17% over test period operating revenues. The Company states that it seeks to terminate its SAVE Plan effective with the implementation of interim rates as requested in this Application. Accordingly, the Company intends to reduce the Projected Factor of its approved SAVE Rider to zero effective December 31, 2022, as the subsequent SAVE-eligible investments would be recovered through the interim rate. The Company states it will continue to bill the True-up Factor under its SAVE Rider as approved by the Commission in the 2022 SAVE Case.

The Company represents that this proposed base rate increase would raise the total monthly bill (inclusive of the current SAVE Rider) of a typical residential customer using four dekatherms ("Dth") per month by \$3.03, or 3.92%. The Company represents that this proposed base rate increase would raise the total monthly bill (inclusive of the current SAVE Rider) of a typical residential customer using 10 Dth per month by \$9.57, or 6.03%. According to the Company, the requested net increase in revenues of \$4.49 million will allow Roanoke Gas the opportunity to earn a 9.44% return on its common equity.

Roanoke Gas also proposes a new meter cost allocator to address concerns raised by Commission Staff in the Company's last rate proceeding as well as a similar allocator for service-related costs. Accordingly, the Company has allocated its increase in rates among the customer classes consistent with the methodology previously approved by the Commission in Case No. PUR-2018-00013, with the exception of the new meter and services cost allocators.

Subject to Roanoke Gas providing a bond to insure prompt refund of any excess rates or charges, the Commission has authorized the Company place its proposed rates into effect on an interim basis, subject to refund with interest, for service rendered on and after January 1, 2023.

Interested persons are encouraged to review Roanoke Gas's Application and supporting documents in full for details about these and other proposals.

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

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs or other documents required to be served in this matter shall 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.

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

The Commission entered an Order for Notice and Hearing that, among other things, scheduled public hearings on Roanoke Gas's Application. On October 3, 2023, at 10 a.m., the Hearing Examiner assigned to this case 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 September 27, 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](https://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](https://scc.virginia.gov/pages/Webcasting).

On October 4, 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 Application from the Company, any respondents, and the Commission's Staff.

Electronic copies of the Application may be obtained by submitting a written request to counsel for Roanoke Gas, Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23219, or [tbiller@HuntonAK.com](mailto:tbiller@HuntonAK.com).

On or before September 29, 2023, any interested person may submit comments on the Application electronically by following the instructions on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](https://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-2022-00205.

On or before April 14, 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](https://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-2022-00205.

On or before August 2, 2023, each respondent may file electronically with the Clerk of the Commission at [scc.virginia.gov/clk/efiling](https://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-2022-00205.

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 Application and other documents filed in this case may be viewed on the Commission's website at: [scc.virginia.gov/pages/Case-Information](https://scc.virginia.gov/pages/Case-Information).

#### ROANOKE GAS COMPANY

(10) On or before January 27, 2023, the Company shall serve a copy of this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town in which the Company provides service: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(11) On or before February 17, 2023, the Company shall file proof of the notice and service required by Ordering Paragraphs (9) and (10), including the name, title, address and electronic mail address (if applicable) of each official served, with the Clerk of the Commission by filing electronically at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/).

(12) On or before September 29, 2023, any interested person may submit written comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://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-2022-00205.

(13) On or before April 14, 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/](http://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 (12). 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-2022-00205.

(14) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the public version of the Application and supporting materials on the respondent, unless these materials already have been provided to the respondent.

(15) On or before August 2, 2023, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling/](http://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 (12). 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, 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-2022-00205.

(16) On or before August 23, 2023, the Staff shall investigate the Application and file with the Clerk of the Commission its testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be served on counsel to the Company and all respondents.

(17) On or before September 13, 2023, Roanoke Gas 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.

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

(19) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories 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.<sup>20</sup> 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.*

(20) This matter is continued.

<sup>20</sup> The assigned Staff attorney is identified on the Commission's website: [scc.virginia.gov/Case-Information](http://scc.virginia.gov/Case-Information), by clicking "Docket Search," and clicking "Search by Case Information," and entering the case number, PUR-2022-00205, in the appropriate box.

**CASE NO. PUR-2022-00206  
DECEMBER 16, 2022**

APPLICATION OF  
MECKLENBURG ELECTRIC COOPERATIVE

For approval of a loan

**ORDER GRANTING AUTHORITY**

On December 1, 2022, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")<sup>1</sup> for approval of a loan. MEC has paid the requisite filing fee of \$250.<sup>2</sup>

<sup>1</sup> Code § 56-55 *et seq.*



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

MEC is seeking authority to borrow up to \$53,000,000 under a Treasury Rate loan ("Loan") from the United States of America through the Rural Utilities Service ("RUS"). The purpose of the Loan is to finance system improvements and line extensions under the Cooperative's four-year, RUS approved, work plan. The Application states that the term of the loan will be 35 years and the interest rate will be determined by the Treasury Rate of interest in effect at the time of each advance.

NOW THE COMMISSION, upon consideration of the Application and having been advised by its Staff, is of the opinion and finds that approval of the Application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) MEC is authorized to receive a loan of up to \$53,000,000 from RUS, in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of the date of any advance of Loan funds from RUS, MEC shall submit a physical and electronic Report of Action to the Director of the Commission's Division of Utility Accounting and Finance, which shall include the amount of the advance and the interest rate.

(3) The authority granted herein shall have no accounting or ratemaking implications.

(4) This case is dismissed.

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<sup>2</sup> The Application was completed with receipt of a check for the filing fee on December 5, 2022.

**DIVISION OF SECURITIES AND RETAIL FRANCHISING****CASE NO. SEC-2021-00008  
JANUARY 25, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

SECURITIES AMERICA, INC., AND SECURITIES AMERICA ADVISORS, INC.,  
Defendants

**ORDER**

On April 16, 2021, the State Corporation Commission ("Commission") entered a Settlement Order ("Settlement Order")<sup>1</sup> in this matter pursuant to its authority under § 12.1-15 of the Code of Virginia ("Code"), resolving the Division of Securities and Retail Franchising's ("Division's") allegations that Securities America, Inc. and Securities America Advisors, Inc. (collectively "Defendants") violated certain provisions of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code and the Commission's Rules Governing Broker-Dealers, Broker-Dealer Agents and Agents of the Issuer,<sup>2</sup> and Rules Governing Investment Advisors.<sup>3</sup>

The Settlement Order memorialized and accepted the terms of the settlement reached between the Division and the Defendants, including an injunctive provision "permanently enjoin[ing the Defendants] from violating the Act in the future."<sup>4</sup> On September 21, 2021, after the Defendants fulfilled the monetary requirements of the settlement, as memorialized in the Settlement Order, the Commission entered a Final Order ("Final Order").<sup>5</sup>

On November 5, 2021, the Defendants, by counsel, filed a Petition to Modify Settlement Order of April 16, 2021 ("Petition").<sup>6</sup> Through the Petition, Defendants request that the Commission revise the Settlement Order, which adopts the settlement's injunctive language. Defendants assert that the injunctive language in the Settlement Order could result in statutory disqualification by the Financial Industry Regulatory Authority. Specifically, the Petition asks the Commission to replace the Settlement Order's current provision that "The Defendants are permanently enjoined from violating the Act in the future," with the statement that "The Defendants will not violate the Act in the future."<sup>7</sup> The Division responded, making no objection.

On December 7, 2021, the Defendants, by counsel, filed their Reply to the Division's Response renewing their request to modify the Settlement Order.

NOW THE COMMISSION, upon consideration of the Petition and subsequent filings in this matter, finds that it is appropriate to accept the proposed revision to the settlement between the Division and the Defendants, effective April 16, 2021. Defendants seek to revise the above-referenced settlement term between the Defendants and the Division by changing the injunctive language contained therein, "The Defendants are permanently enjoined from violating the Act in the future" to "The Defendants will not violate the Act in the future," effective April 16, 2021.

The Commission is of the opinion and finds that the revised settlement term should be, and is hereby, accepted.<sup>8</sup>

Accordingly, IT IS ORDERED THAT:

(1) This case is opened for the sole purpose of accepting the revised settlement term through entry of this Order.

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<sup>1</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission v. Securities America, Inc., and Securities America Advisors, Inc.*, Case No. SEC-2021-00008, Doc. Con. Cen. No. 210420139, Settlement Order (April 16, 2021).

<sup>2</sup> *See* 21 VAC 5-20-10 *et seq.*

<sup>3</sup> *See* 21 VAC 5-80-10 *et seq.*

<sup>4</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission v. Securities America, Inc., and Securities America Advisors, Inc.*, Case No. SEC-2021-00008, Doc. Con. Cen. No. 210420139, Settlement Order at 4 (April 16, 2021).

<sup>5</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission v. Securities America, Inc., and Securities America Advisors, Inc.*, Case No. SEC-2021-00008, Doc. Con. Cen. No. 210940074, Final Order (September 21, 2021).

<sup>6</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission v. Securities America, Inc., and Securities America Advisors, Inc.*, Case No. SEC-2021-00008, Doc. Con. Cen. No. 211120060, Petition to Modify Settlement Order of April 16, 2021 on Behalf of Defendants/Petitioners (November 5, 2021).

<sup>7</sup> *Id.* at 5.

<sup>8</sup> Accordingly, the instant Order supersedes the April 16, 2021 Settlement Order and the Commission's Final Order of September 21, 2021 as to the settlement term modified herein.

(2) The Commission accepts the Defendants' revised settlement term effective April 16, 2021. Rather than stating that "The Defendants are permanently enjoined from violating the Act in the future," the settlement shall state that "The Defendants will not violate the Act in the future." All other terms of the settlement shall remain unaffected.

(3) All undertakings and provisions of a continuing nature in this matter shall remain in full force and effect.

(4) This case is dismissed.

**CASE NO. SEC-2021-00017  
APRIL 27, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
MEHDI TABDILIAZAR, R2 ADVISORS, P.C., and M2 ADVISORS, INC.,  
Defendants

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Mehdi Tabdiliazar ("Tabdiliazar"), R2 Advisors, P.C. ("R2 Advisors"), and M2 Advisors, Inc. ("M2 Advisors") (collectively, the "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

R2 Advisors was formed on November 19, 2018, as a Virginia stock corporation with a principal office address at 1761 Old Meadow Road, Apartment 408, McLean, Virginia 22102. M2 Advisors was formed on January 25, 2019, as a Virginia stock corporation with a principal office address at 2001 15th Street, North, Apartment 919, Arlington, Virginia 22201. Tabdiliazar is listed as M2 Advisors' director and president and he is listed as R2 Advisors' director.

Based on its investigation, the Division alleges that Tabdiliazar violated § 13.1-502 (2) of the Act and Rule 21 VAC 5-80-200 (B) (18) (a) (1) of the Rules promulgated under the Act by offering or selling securities to obtain money by means of making untrue statements of a material fact. Specifically, Tabdiliazar advertised a Chartered Financial Analyst designation on the R2 Advisors and M2 Advisors websites when Tabdiliazar, in fact, had not earned a Chartered Financial Analyst designation or was otherwise ineligible to use such designation. Additionally, the Division alleges that M2 Advisors and R2 Advisors acted as investment advisors and that Tabdiliazar acted as an investment advisor representative when they provided investment advisory services without being registered with the Division in violation of § 13.1-504 (A) (ii) of the Act.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose certain civil penalties; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants admit to providing a falsified Chartered Financial Analyst certificate of designation to the Division. Defendants also admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Division wherein the Defendants will abide by and comply with the following terms:

(1) The Defendants, within forty-five (45) days of the entry of this Order, will provide each investment advisory client of Tabdiliazar, R2 Advisors, and/or M2 Advisors with a copy of this Order;

(2) The Defendants, within forty-five (45) days of the entry of this Order, will gather and organize all client files, including all information necessary to access client accounts and funds, and provide such files to the respective clients;

(3) The Defendants, within sixty (60) days of the entry of this Order, will provide the Division with a signed affidavit attesting to their compliance with the terms outlined in paragraphs 1 and 2;

(4) The Defendants will pay to the Treasurer of Virginia a total amount of Five Thousand Dollars (\$5,000) in monetary penalties, consisting of ten (10) \$500 monthly payments due by the 30<sup>th</sup> of each month, with the first payment being made within forty-five (45) days of the entry of this Order;

(5) The Defendants are permanently enjoined from acting as an officer, director, or partner of either an investment advisor, exempt reporting advisor, and/or broker-dealer in Virginia;

(6) The Defendants are permanently enjoined from offering and selling securities, engaging other agents or affiliates to offer and sell securities on their behalf, registering as an investment advisor, investment advisor representative, broker-dealer, broker-dealer agent, agent of the issuer, and/or registered representative in and from the Commonwealth of Virginia; and

(7) The Defendants will not violate the Act in the future.

The Division has accepted the Defendants' offer of settlement and recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendants shall fully comply with the terms of the settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendants' failure to comply with the terms of the settlement.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. SEC-2021-00021  
JANUARY 24, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
EIGHT USA INC.,  
Defendant

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Eight USA Inc. ("Eight USA" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

Eight USA offers and sells Matcha Café Maiko franchises. Matcha Café Maiko offers a variety of matcha-infused desserts and drinks including matcha soft serve ice cream. The Defendant's home office is located in Honolulu, Hawaii.

The Division alleges that, by virtue of Defendant's purchase of substantially all of the assets of EXEO USA Inc., which offered and sold three (3) unregistered franchises to be operated in the Commonwealth of Virginia to three (3) Virginia residents ("Virginia Franchisees"), Eight USA also offered and sold three (3) unregistered franchises to be operated in Virginia to three (3) Virginia Franchisees. Further, the Division alleges that by virtue of said purchase of substantially all of the assets of EXEO USA, Inc., which failed to provide the Virginia Franchisees with a franchise disclosure document ("FDD"), Eight USA failed to provide the Virginia Franchisees with an FDD as required under the Act. Based on the investigation, the Division alleges that the Defendant violated § 13.1-560 of the Act by offering to sell and selling three franchises in Virginia without those franchises being registered under the provisions of the Act. The Division further alleges that the Defendant violated § 13.1-563 (4) (ii) of the Act by failing to provide the Virginia Franchisees with an FDD approved by the Division in conjunction with the offer and sale of the franchises, as required.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary and permanent injunctions, by § 13.1-570 of the Act to impose certain civil penalties and to request that a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

1. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Six Thousand Five Hundred Dollars (\$6,500) in civil penalties.
2. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Hundred Dollars (\$500) to defray the costs of investigation.
3. The Defendant will not violate the Act in the future.

The Division has accepted the Defendant's offer of settlement and recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement of the matter set forth herein is hereby accepted.

- (2) The Defendant shall fully comply with the aforesaid terms of this settlement.
- (3) This case is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. SEC-2021-00026  
JANUARY 24, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
YORCMO FRANCHISING, LLC,  
Defendant

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of YorCMO Franchising, LLC ("CMO Franchising" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

CMO Franchising is a Nebraska limited liability company. CMO Franchising is a fractional marketing service that offers and sells franchises that provide small businesses with the opportunity to engage a shared chief marketing officer to develop and implement marketing strategies for their businesses. CMO Franchising applied for registration with the Division on March 17, 2021.

The Division alleges that on February 28, 2018, July 27, 2020, and October 13, 2020, CMO Franchising offered and sold to three Commonwealth of Virginia residents ("Virginia Franchisees") three unregistered franchises to be operated in Virginia. Further, the Division alleges that CMO Franchising failed to provide the Virginia Franchisees with a franchise disclosure document ("FDD") as required under the Act.

Based on the investigation, the Division alleges that the Defendant violated § 13.1-560 of the Act by offering to sell and selling franchises in Virginia without the franchises being registered under the provisions of the Act. The Division further alleges that the Defendant violated § 13.1-563 (4) (ii) of the Act by failing to provide the Virginia Franchisees with an FDD approved by the Division in conjunction with the offer and sale of the franchises as required.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

1. The Defendant will make an offer of rescission ("Rescission Offer") within thirty (30) days of the entry of this Order to the Virginia Franchisees as follows:
  - a. The Defendant will send the Rescission Offer, by certified mail, to each of the three Virginia Franchisees. The Rescission Offer will include an offer to return the franchise fees paid by each of the Virginia Franchisees to date. The Rescission Offer will allow each of the Virginia Franchisees thirty (30) days from the date of receipt to provide the Defendant with written notification of the individual Virginia Franchisee's decision to accept or reject the offer.
  - b. The Defendant will provide the Division with a copy of the Rescission Offer, for review and comment, at least ten (10) days prior to sending it to the Virginia Franchisees.
  - c. The Defendant, within ten (10) days of the entry of this Order, will send a copy of this Order to each of the Virginia Franchisees.
  - d. If any of the three Virginia Franchisees accepts the Rescission Offer, the Defendant will make payment of the franchise fee(s) paid to date to the Virginia Franchisee(s) within fifteen (15) days of receipt of the written acceptance.
  - e. Within ninety (90) days from the date of entry of this Order, the Defendant will submit to the Division an affidavit, executed by the Defendant, containing the date each Virginia Franchisee received the Rescission Offer, each of the Virginia Franchisees' responses, and, if applicable, the franchise fee amount paid and the date that payment was sent to each of the Virginia Franchisees.
2. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Six Thousand Dollars (\$6,000) in monetary penalties.
3. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Seven Hundred Fifty Dollars (\$750) to defray the costs of investigation.

4. The Defendant will not violate the Act in the future.

The Division has accepted the Defendant's offer of settlement and recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

(1) The settlement is accepted.

(2) The Defendant shall fully comply with the terms of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms of the settlement.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. SEC-2021-00034  
JANUARY 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

BPD WEALTH MANAGEMENT LLC,  
Defendant

**DEFICIENCY ORDER**

BPD Wealth Management LLC ("BPDWM" or "Defendant") is an active limited liability company in the Commonwealth of Virginia ("Virginia"). Michael C. Ilagan is the sole member of BPDWM. The Defendant is registered with the State Corporation Commission ("Commission") to transact business as an investment advisor in Virginia. The Defendant is required to comply with the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia, and with the Commission's Rules Governing Investment Advisors, 21 VAC-5-80-10 *et seq.* ("Rules"). The Act and the Rules set out the standards of practice for all registered investment advisors in Virginia.

If the provisions of the Act or the Rules are violated, the Commission is authorized by § 13.1-521 (A) of the Act to impose a civil penalty. Section 13.1-521 (D) of the Act further provides that each investment advisory contract, transaction or activity contrary to the provisions of this chapter shall constitute a separate violation of the Act.

The Division of Securities and Retail Franchising ("Division") conducted a compliance examination of the Defendant's books and records on May 14, 2021. During the examination, Division staff found a repeat violation by the Defendant of § 13.1-503 (C) (1) of the Act as follows:

1. The Defendant entered into, extended, or renewed an investment advisory contract without providing in writing that the investment advisor shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client.

The Division also cited this deficiency in previous examinations of the Defendant conducted on September 26, 2012 and September 12, 2017, thereby making it a repeat deficiency.

The Defendant neither admits nor denies the violations but admits to the Commission's jurisdiction to enter this Deficiency Order. As a proposal to settle the above-referenced repeat deficiency that has occurred, the Defendant agrees to: (a) pay, prior to or contemporaneously with the entry of this Deficiency Order, \$500 to the Treasurer of Virginia; (b) address the deficiency prior to or contemporaneously with the entry of this Deficiency Order; and (c) comply with the Act and the Rules in the future.

The Division has recommended that the Commission accept the Defendant's proposed resolution of this matter.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the proposed resolution set forth herein should be accepted for the cited deficiency that has occurred only.

Accordingly, IT IS ORDERED THAT:

(1) The Commission hereby accepts the proposed resolution as set forth herein.

(2) The Defendant shall comply fully with the aforesaid resolution and this Order.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. SEC-2021-00035  
JANUARY 6, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
KICKHOUSE FITNESS, LLC,  
Defendant

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of KickHouse Fitness, LLC ("KickHouse" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

KickHouse is a Delaware limited liability company formed on July 14, 2020 with its principal business address located at 931 Lexington Drive, Rockwall, Texas 75087. KickHouse is a fitness club that focuses on growing strength through resilience and kickboxing from the beginner to advanced level. KickHouse offers and sells franchises throughout the United States.

The Division alleges that, in or around October 2020, KickHouse offered and sold two unregistered franchises to be operated in the Commonwealth of Virginia ("Virginia") to a Virginia resident ("Virginia Franchisee"). Further, the Division alleges that KickHouse failed to provide the Virginia Franchisee with a franchise disclosure document ("FDD") as required under the Act.

Based on its investigation, the Division alleges that the Defendant violated § 13.1-560 of the Act by offering to sell and selling two franchises in Virginia without the franchises being registered under the provisions of the Act. The Division further alleges that the Defendant violated § 13.1-563 (4) of the Act by failing to provide the Virginia Franchisee with a properly cleared FDD approved by the Division in conjunction with the offer and sale of the franchises, as required.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration; by § 13.1-568 of the Act to issue temporary or permanent injunctions; by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms:

1. The Defendant will make an offer of rescission ("Rescission Offer") within thirty (30) days of the entry of this Order to the Virginia Franchisee as follows:

- a. The Defendant will send the Rescission Offer, by certified mail, to the Virginia Franchisee. The Rescission Offer will include an offer to return the initial franchise fees paid by the Virginia Franchisee for each of the franchises. The Rescission Offer will allow the Virginia Franchisee thirty (30) days from the date of receipt to provide the Defendant with written notification of the Virginia Franchisee's decision to accept or reject the offer.
- b. The Defendant will provide the Division with a copy of the Rescission Offer, for review and comment, at least ten (10) days prior to sending it to the Virginia Franchisee.
- c. The Defendant, within ten (10) days of the entry of this Order, will send a copy of this Order to the Virginia Franchisee.
- d. If the Virginia Franchisee accepts the Rescission Offer, the Defendant will make payment of the franchise fees to the Virginia Franchisee within fifteen (15) days of receipt of the written acceptance.

2. Within ninety (90) days from the date of entry of this Order, the Defendant will submit to the Division an affidavit, executed by the Defendant, containing the date the Virginia Franchisee received the Rescission Offer, the Virginia Franchisee's response, and, if applicable, the franchise fee amount the Defendant paid to the Virginia Franchisee and the date that payment was sent to the Virginia Franchisee.

3. The Defendant will remove any franchise offerings in Virginia from its website until such time as KickHouse has its franchise properly registered in Virginia.

4. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars (\$5,000) in monetary penalties.

5. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of One Thousand Dollars (\$1,000) to defray the costs of investigation.

6. The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the Defendant's settlement offer.

NOW THE COMMISSION, having considered this matter, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The Defendant's settlement offer set forth herein is accepted.
- (2) The Defendant shall fully comply with the aforesaid terms of this settlement.
- (3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms of the settlement.

**CASE NO. SEC-2021-00041  
JANUARY 24, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

APTUS FINANCIAL, LLC,  
Defendant

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Aptus Financial, LLC ("Aptus" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

Aptus is an Arkansas limited liability company with an office address at 2 Van Circle, Suite 4, Little Rock, Arkansas 72207. During the relevant period, Aptus was a registered investment advisor in Arkansas. On April 9, 2021, Aptus registered with the United States Securities and Exchange Commission ("SEC") as an investment advisor. Aptus has never registered with the Division as an investment advisor in Virginia.

Based on the investigation, the Division alleges that in 2019, 2020, and 2021, before becoming registered with the SEC, Aptus provided investment advisory services to Virginia residents without being registered with the Division as an investment advisor, in violation of § 13.1-504 (A) of the Act. Additionally, the Division alleges that Aptus employed investment advisor representatives who were not registered with the Division in order to furnish the same services to Virginia residents, in violation of § 13.1-504 (C) of the Act.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose certain civil penalties; by § 13.1-521 (C) of the Act to order the defendant to make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

- (1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars (\$5,000) in monetary penalties;
- (2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of One Thousand Dollars (\$1,000) to defray the costs of investigation in this matter; and
- (3) The Defendant will not violate the Act in the future.

The Division has accepted the Defendant's offer of settlement and recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the settlement.
- (3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.



**CASE NO. SEC-2022-00002  
NOVEMBER 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
PERMANENS CAPITAL L.P.,  
Defendant

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Permanens Capital L.P. ("Permanens" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

Permanens is a Delaware limited partnership that provides investment advisory services. Permanens was organized on September 13, 2004 and maintains a principal office address at 410 Park Avenue, Suite 430, New York, New York 10022. Permanens has been registered with the United States Securities and Exchange Commission as an investment advisor since June 13, 2011. Permanens has never registered with the Division as an investment advisor in Virginia.

Based on its investigation, the Division alleges that Permanens transacted business in Virginia as an investment advisor without filing such documents and paying such fees as are required by the Commission, in violation of § 13.1-504 A. (iii) of the Act. The Division further alleges that from October 2018 through March 2020, Permanens employed an individual as an investment advisor representative in Virginia who was not registered with the Division, in violation of § 13.1-504 C. of the Act.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 A. of the Act to impose certain civil penalties; by § 13.1-521 C. of the Act to order a defendant to make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

- (1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Seven Thousand Dollars (\$7,000) in monetary penalties;
- (2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of One Thousand Dollars (\$1,000) to defray the costs of investigation in this matter; and
- (3) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the Defendant's settlement offer.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the settlement.
- (3) This Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms of the settlement.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. SEC-2022-00004  
AUGUST 31, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

BLOCKFI LLC,  
Defendant

**ORDER**

BlockFi Lending LLC ("BlockFi") is a Delaware financial services company and wholly owned subsidiary of BlockFi Inc., which was incorporated in Delaware in 2017. Pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code"), the Virginia State Corporation Commission's ("Commission's") Division of Securities and Retail Franchising ("Division") participated in an investigation ("Investigation") in cooperation with state securities regulators from multiple jurisdictions ("Multistate Working Group")<sup>1</sup> and the U.S. Securities and Exchange Commission ("SEC") to determine whether BlockFi's offer and sale of interest-bearing digital asset accounts called BlockFi Interest Accounts ("BIAs") to Virginia investors from at least March 4, 2019 through February 14, 2022 ("Relevant Period"), violated Virginia state securities laws. BlockFi has never been registered in Virginia to offer and sell securities. In addition, BlockFi has never applied for the registration of any securities with the Division, or otherwise notified the Division of an applicable registration exemption.

BlockFi has cooperated with state securities regulators and the Multistate Working Group conducting the Investigation by responding to inquiries, providing documentary evidence and other materials, and providing access to facts relating to the Investigation.

BlockFi advised the Multistate Working Group of its agreement to resolve the Investigation pursuant to the terms specified in a template consent order and pursuant to the resolution recommendation by the Multistate Working Group (collectively, "multistate settlement"). As part of the multistate settlement, BlockFi agreed to: (1) cease and desist offering and selling the BIAs or any other security that is not registered, qualified or exempt from registration, to new clients in the United States; (2) cease accepting further investments or funds in the BIAs from current U.S. clients, unless and until the BIAs or other securities are registered, qualified or exempted from registration; and (3) payment of up to a total of \$50,000,000.00 in settlement payments divided equally among the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands and paid to each of the 53 jurisdictions that enter into a consent order pursuant to the terms of the multistate settlement.

BlockFi admits to the jurisdiction of the Commission in this matter and acknowledges its waiver of the right to a hearing set forth in § 13.1-521 of the Act. Solely for the purpose of terminating the Investigation and in settlement of the issues contained in this Order, BlockFi, without admitting or denying the facts and allegations contained herein, voluntarily consents to the entry of this Order and also waives any right to a hearing and appeal under §§ 12.1-28 and 12.1-39 of the Code regarding this Order.

**I. BACKGROUND<sup>2</sup>**

1. BlockFi Inc., a Delaware corporation incorporated on August 1, 2017, with offices at 201 Montgomery Street, Suite 263, Jersey City, New Jersey, is a financial services company that, through its subsidiaries, generates revenues through cryptocurrency and other digital asset trading, lending, and borrowing, as well as investments and other types of transactions.

2. BlockFi Trading LLC, a Delaware limited liability company formed on May 28, 2019, with offices at 201 Montgomery Street, Suite 263, Jersey City, New Jersey, is a wholly owned subsidiary of BlockFi Inc. and acts as a money transmitter that accepts money and digital assets from investors and transfers the funds to BlockFi for investment in BIAs.

3. BlockFi, a Delaware limited liability company, formed on January 11, 2018, with offices at 201 Montgomery Street, Suite 263, Jersey City, New Jersey, is a wholly owned subsidiary of BlockFi Inc. BlockFi is an affiliate of BlockFi Trading LLC and the issuer of the BIAs.

4. Starting on January 7, 2021, members of the Multistate Working Group contacted BlockFi to notify BlockFi that it may have offered and sold securities that may not comply with state securities laws.

5. From approximately July 19, 2021, to September 23, 2021, multiple states filed various regulatory orders and administrative notices alleging that BlockFi was offering and selling unregistered securities in the form of BIAs. Pursuant to the multistate settlement, 49 states and jurisdictions have entered consent orders resolving the allegations against BlockFi set forth herein.

6. On February 14, 2022, BlockFi agreed to cease and desist offering and selling BIAs nationwide to new investors in the U.S. and cease and desist accepting further investments or funds in the BIAs by current U.S. investors in multiple jurisdictions, including in Virginia.

**THE DIVISION'S ALLEGATIONS REGARDING THE OFFER AND SALE OF SECURITIES NATIONWIDE**

7. During the Relevant Period, BlockFi offered and sold securities in the form of interest-bearing digital asset accounts called BIAs and marketed, offered, and sold those securities to thousands of Virginia residents.

<sup>1</sup> State regulators from Alabama, Kentucky, New Jersey, Texas, Vermont, and Washington led this multi-state investigation as part of a North American Securities Administrators Association Working Group.

<sup>2</sup> The following sections set forth information gathered over the course of the Investigation.

8. On March 4, 2019, BlockFi publicly announced the launch of the BIA, through which investors could lend digital assets to BlockFi and in exchange, receive interest, paid monthly in cryptocurrency. Interest began accruing the day after assets were transmitted to BlockFi and compounded monthly, with interest payments made to accounts associated with each BIA investor, in digital assets, on or about the first business day of each month.

9. Investors in BIAs lent digital assets to BlockFi in exchange for BlockFi's promise to provide a variable monthly interest payment.

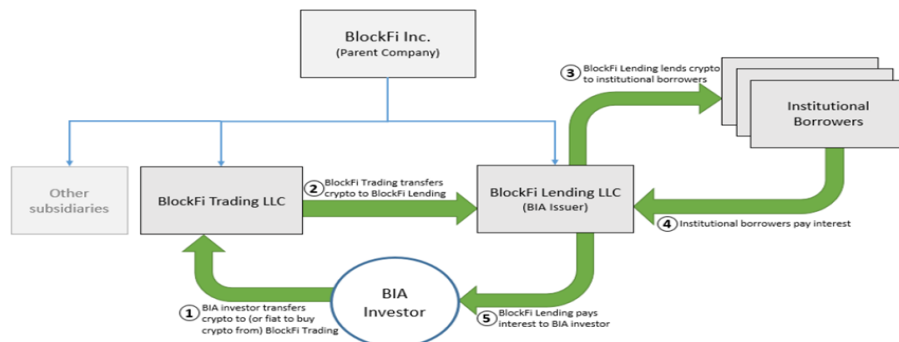
10. BlockFi represented it generated the interest it paid BIA investors by deploying investors' digital assets in various ways, including loans made to institutional investors, lending U.S. dollars to retail investors, and investing in digital assets, equities, and futures.

11. Under BlockFi's terms for the BIA, investors:

grant BlockFi the right, without further notice to [the investor], to hold the cryptocurrency held in [the] account in BlockFi's name or in another name, and to pledge, repledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer, invest or use any amount of such cryptocurrency, separately or together with other property, with all attendant rights of ownership, and for any period of time and without retaining in BlockFi's possession and/or control a like amount of cryptocurrency, and to use or invest such cryptocurrency at its own risk.

12. BlockFi offered and sold BIAs to obtain digital assets for the general use of its business, namely to use the assets in its lending and investment activities, which generated income both for BlockFi and to pay interest to BIA investors. BlockFi pooled the loaned assets, and exercised full discretion over how much to hold, lend, and invest. BlockFi had complete legal ownership and control over the digital assets loaned to it by BIA investors and advertised that it managed the risks involved.

13. To begin investing in a BIA, an investor could transfer digital assets to the digital wallet address assigned by BlockFi to the investor or purchase digital assets with fiat currency from BlockFi Trading LLC for the purpose of investing in a BIA. BlockFi Trading LLC accepted the digital asset or fiat from the investor, and then transferred the asset to BlockFi. BlockFi did not hold private keys for the investors' wallet addresses; rather, investors' digital assets were sent to BlockFi's wallet addresses at third-party custodians.



14. BIA investors were permitted to withdraw the equivalent to the digital assets they loaned to BlockFi and accrued interest at any time, with some limitations, and could borrow money in U.S. dollars against the amount of digital assets deposited in BIAs.

15. BlockFi adjusted the interest rates payable on BIAs for particular digital assets periodically, and typically at the start of each month. BlockFi set the rates based, in part, on the yield that BlockFi can generate from lending to institutional borrowers, and thus interest rates were correlated with the efforts that BlockFi put in to generate that yield. BlockFi periodically adjusted its interest rates payable on the BIAs in part after analysis of current yield on its investment and lending activity. BIA investors could demand that BlockFi repay the loaned digital assets at any time.

16. As of March 31, 2021, BlockFi and its affiliates held approximately \$14.7 billion in BIA investor assets. As of December 8, 2021, BlockFi and its affiliates held approximately \$10.4 billion in BIA investor assets, and had approximately 572,160 BIA investors, including 391,105 investors in the United States.

17. As of December 31, 2019, BlockFi and its affiliates held approximately \$3,125,351 in BIA investor assets from 138 Virginia residents. As of December 31, 2020, BlockFi and its affiliates held approximately \$95,047,661 in BIA investor assets from 1,679 Virginia residents. As of December 31, 2021, BlockFi and its affiliates held approximately \$212,024,788.67 in BIA investor assets from 11,576 Virginia residents.

#### THE DIVISION'S ALLEGATIONS REGARDING THE MARKETING OF BLOCKFI'S BIA

18. BlockFi offered and sold the BIA securities to investors, including retail investors, through advertising and general solicitations on its website, www.blockfi.com. BlockFi also promoted distribution of the BIA offering through its social media accounts, including YouTube, Twitter, and Facebook. In addition, through its "Partner" program, an affiliate marketing program in which participants could earn passive income by introducing their audience to financial tools for crypto investors, BlockFi extended its distribution of the BIA securities to retail investors through certain offers and promotions.

19. BlockFi regularly touted the profits investors may earn by investing in a BIA. When announcing the BIA, BlockFi promoted the interest earned, promising an industry-leading 6.2% annual percentage yield ("APY"), compounded monthly. BlockFi described it as an easy way for crypto investors to earn bitcoin as they HODL.<sup>3</sup>

20. Within the first few weeks of launching the BIA, BlockFi again touted investors' potential for profit. On March 20, 2019, BlockFi announced that BIAs experienced significant growth, including from large firms who participated in BIAs as a way to bolster their returns. On its website, BlockFi asserted that its "mission is to provide the average crypto investor with the tools to build their wealth," and that it "look[ed] forward to giving even more investors a chance to earn a yield on their crypto."

21. On April 1, 2019, BlockFi began to "tier" the interest rates that investors received, initially announcing that "BIA balances of up to and including 25 [Bitcoin ("BTC")] or 500 [Ether] (equivalent to roughly \$100,000 and \$70,000 respectively) will earn the 6.2% APY interest rate. All balances over that limit will earn a tiered rate of 2% interest." Even when changing the interest rates customers receive, BlockFi touted the yields to investors. On August 27, 2021, BlockFi stated that the adjustments to interest rates are done "with the goal of maintaining great rates for the maximum number of clients."

22. On January 1, 2021, BlockFi advertised that it had distributed more than \$50 million in monthly interest payments to clients.

23. As of November 1, 2021, the interest rates BlockFi paid investors ranged from 0.1% to 9.5%, depending on the type of digital asset and the size of the investment. For example, investors could receive 9.5% in interest for up to 40,000 Tether ("USDT") and 8.5% for anything over 40,000 USDT, as well as 4.5% interest for up to 0.1 BTC, 1% for 0.1 to 0.35 BTC, and 0.1% for anything over 0.35 BTC.

#### THE DIVISION'S ALLEGATIONS REGARDING MISREPRESENTATION OF COLLATERALIZATION PRACTICES FOR INSTITUTIONAL LOANS

24. BlockFi's offer of BIAs included a statement that was materially misleading or otherwise likely to deceive the public on its website from March 4, 2019 to August 31, 2021, concerning its collateral practices and, therefore, the risks associated with its lending activity.

25. Beginning at the time of the BIA launch on March 4, 2019, and continuing to August 31, 2021, BlockFi made a statement in multiple website posts that its institutional loans were "typically" overcollateralized, when in fact, most institutional loans were not.

26. When BlockFi began offering the BIA investment, it intended to require over-collateralization on a majority of its loans to institutional investors, but it quickly became apparent that large institutional investors were frequently not willing to post large amounts of collateral to secure their loans.

27. Approximately 24% of institutional digital asset loans made in 2019 were over-collateralized; in 2020 approximately 16% were over-collateralized; and in 2021 (through June 30, 2021) approximately 17% were over-collateralized.

28. As a result, BlockFi's statement materially overstated the degree to which it secured protection from defaults by institutional borrowers through collateral. Through operational oversight, BlockFi's personnel failed to take steps to update the website statement to accurately reflect the fact that most institutional loans were not over-collateralized.

29. BlockFi made other disclosures on its website regarding its risk management practices. Notwithstanding, BlockFi's misrepresentations and omissions about the level of risk in its loan portfolio meant that BIA investors did not have complete and accurate information with which to evaluate the risk that, in the event of defaults by its institutional borrowers, BlockFi would be unable to comply with its obligation to pay BIA investors the stated interest rates or return the loaned digital assets and accrued interest to investors upon demand.

#### THE DIVISION'S ALLEGATIONS REGARDING THE FAILURE TO COMPLY WITH REGISTRATION REQUIREMENTS

30. During the Relevant Period, BlockFi offered and sold securities in Virginia that were not registered with the Division or exempted from registration, as required by § 13.1-507 of the Act.

31. During the Relevant Period, BlockFi offered and sold securities in Virginia without being registered as a broker-dealer or agent with the Division, as required by § 13.1-504 of the Act.

32. The BIAs are securities as defined in § 13.1-501(A) of the Act.

33. During the Relevant Period, BlockFi's offer and sale of securities in Virginia that were not registered with the Division or exempted from registration violated § 13.1-507 of the Act.

34. During the Relevant Period, BlockFi's offer and sale of securities in Virginia without being registered as a broker-dealer or agent with the Division violated § 13.1-504 of the Act.

35. During the Relevant Period, BlockFi's offer of BIAs included an untrue statement of material fact on its website concerning its collateral practices and, therefore, the risks associated with its lending activity, in violation of § 13.1-502(2) of the Act.

36. If the provisions of the Act are violated, the Commission is further authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521(A) of the Act to impose certain civil penalties; by § 13.1-521(C) of the Act to order the defendant to make rescission or restitution; and by § 12.1-15 of the Code to settlement matters within its jurisdiction.

<sup>3</sup> HODL is an acronym for "Hold On for Dear Life".

**II. SETTLEMENT OFFER BY BLOCKFI**

37. BlockFi shall cease and desist offering or selling BIAs or any security that is not registered, qualified, or exempt to new investors in Virginia and cease and desist accepting further investments or funds in the BIAs by Virginia investors unless and until the BIAs or other securities have been properly registered or are otherwise exempt from registration under the Act.

38. BlockFi shall pay \$943,396.22 in monetary penalties to the Treasurer of Virginia, in four installments as set forth below.

39. This multistate settlement resolves any other action the Division could commence against BlockFi and its affiliates concerning the allegations set forth herein, including as it relates to the offer and sale of BIAs without registration, qualification, or otherwise complying with an exemption and the above-referenced statements regarding BlockFi's collateral practices made thereto during the Relevant Period.

40. This multistate settlement is entered into solely for the purpose of resolving the referenced multistate Investigation and is not intended to be used for any other purpose. Other than the obligations and provisions set forth therein, this multistate settlement does not limit or create liability for BlockFi nor limit or create defenses for BlockFi to any claims.

41. This multistate settlement, any Commission order adopting such multistate settlement, and the order of any other State in any proceeding related to BlockFi's agreement to resolve the above-referenced multistate Investigation (collectively, the "Orders") shall not be used as sole grounds to deny registration or qualification of securities issued by BlockFi or its parent BlockFi Inc.

42. This multistate settlement is not intended to subject any Covered Person<sup>4</sup> to any disqualifications under the laws of the United States, any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands, or under the rules or regulations of any securities or commodities regulator or self-regulatory organization, including, without limitation, any disqualification from relying upon the state or federal registration exemptions or safe harbor provisions.

43. This multistate settlement does not preclude BlockFi from paying interest or returns to existing clients, refunding principal to investors consistent with the terms of the BIAs, or otherwise lawfully dealing with existing clientele.

44. BlockFi agrees not to violate the Act in the future.

NOW THE COMMISSION, having considered this matter is of the opinion that BlockFi's settlement offer should be accepted.

**ACCORDINGLY, IT IS HEREBY ORDERED THAT:**

1. The Commission accepts the proposed multistate settlement.

2. BlockFi is to immediately cease and desist from offering or selling the BIAs or any security that is not registered, qualified, or exempt to new investors in Virginia and cease and desist accepting further investments or funds in the BIAs by current Virginia investors, unless and until the BIAs or other securities are registered with the Division or otherwise exempt from registration under the Act.

3. As set forth below, BlockFi is to pay \$943,396.22 in monetary penalties to the Treasurer of Virginia in the following installments:

- a. \$377,358.48 within 14 days of the entry of this Order;
- b. \$188,679.24 due no later than February 14, 2023;
- c. \$188,679.24 due no later than August 14, 2023; and
- d. \$188,679.26 due no later than February 14, 2024.

4. This Order shall be binding upon BlockFi, its parent and affiliates, and their respective successors and assigns with respect to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

5. The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of BlockFi's failure to comply with the terms set forth herein.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>4</sup> "Covered Persons" means BlockFi, its parent, or any of its affiliates and their current or former officers, directors, employees, or other persons that could otherwise be disqualified as a result of the Orders.

**CASE NO. SEC-2022-00007  
MAY 18, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

EAGLE STRATEGIES LLC,  
Defendant

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Eagle Strategies LLC ("Eagle Strategies" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

Eagle Strategies is a Delaware limited liability company, and an indirect wholly-owned subsidiary of New York Life Insurance Company, with a principal office address at 51 Madison Avenue, 12th Floor, New York, New York 10010. Eagle Strategies is an investment advisory firm that provides investment advisory services to clients and has offices throughout the United States, including in Virginia. Eagle Strategies registered with the United States Securities and Exchange Commission as an investment advisor on October 14, 1988, and filed notice with the Division on May 23, 1989.

Based on its investigation, the Division alleges that from July 2013 until January 2022 ("Relevant Period"), Eagle Strategies employed an investment advisor representative in Virginia who was not registered with the Division in violation of § 13.1-504 C of the Act. Although the individual was registered as a broker-dealer agent in Virginia on August 21, 2003, Eagle Strategies failed to apply for this individual's investment advisor representative registration in Virginia until October 29, 2021, and the individual did not become fully registered as an investment advisor representative until January 23, 2022. During the Relevant Period, Eagle Strategies allowed the individual to act and operate as an investment advisor representative offering fee-based investment advisory and financial planning services to clients despite the individual's not being registered to do so.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 A of the Act to impose certain civil penalties; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

- (1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Six Thousand Dollars (\$6,000) in monetary penalties;
- (2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of One Thousand Dollars (\$1,000) to defray the costs of investigation in this matter; and
- (3) The Defendant will not violate the Act in the future.

The Division supports the Defendant's settlement offer, and recommends that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the settlement.
- (3) This case is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. SEC-2022-00009  
DECEMBER 1, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
MOCHINUT, INC.,  
Defendant

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Mochinut, Inc. ("Mochinut" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

Mochinut is a California corporation. Mochinut offers and sells franchises that provide doughnuts and similar items to the public. Mochinut has never registered a franchise in Virginia.

The Division alleges that on March 26, 2021, Mochinut sold a master franchise to Skyism, LLC, a New York limited liability company, including the right to offer and sell Mochinut franchises in Virginia.

Based on its investigation, the Division alleges that the Defendant violated § 13.1-560 of the Act by offering to sell and selling a master franchise in Virginia without the franchise being registered under the provisions of the Act. The Division further alleges that the Defendant violated § 13.1-563 (4) (ii) of the Act by failing to provide the Commission's required disclosure document in connection with the offer and sale of the franchise.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain civil penalties and to request that a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

1. The Defendant, within forty-five (45) days of the entry of this Order, will send a copy of this Order to all of the Defendant's franchisees in Virginia.
2. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Thirty-Two Thousand Five Hundred Dollars (\$32,500) in monetary penalties.
3. The Defendant will not violate the Act in the future.

The Division supports the Defendant's settlement offer and recommends that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the settlement.
- (3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms of the settlement.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. SEC-2022-00010  
DECEMBER 1, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
SKYISM, LLC,  
Defendant

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Skyism, LLC ("Skyism" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq.* of the Code of Virginia ("Code").

Skyism is a New York limited liability company. The Division alleges that on March 26, 2021, Mochinut, Inc. ("Mochinut"), a California corporation that offers and sells franchises providing doughnuts and similar items to the public, sold a master franchise to Skyism including the right to sell franchises called "Mochinut" in Virginia. Skyism has never registered a franchise in Virginia.

Based on its investigation, the Division alleges that, from April 2021 through February 2022, Skyism offered and sold to seven (7) different owners ("Virginia Franchisees") eight (8) unregistered franchises to be operated in Virginia in violation of § 13.1-560 of the Act. The Division further alleges that the Defendant violated § 13.1-563 (4) (ii) of the Act by failing to provide the seven Virginia Franchisees with the Commission's required disclosure document in connection with the offer and sale of the franchises.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain civil penalties and to request that a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

1. The Defendant will make an offer of rescission ("Rescission Offer") within thirty (30) days of the entry of this Order to the Virginia Franchisees as follows:
  - a. The Defendant will send the Rescission Offer, by certified mail, to each of the seven Virginia Franchisees. The Rescission Offer will include an offer to return the franchise fee, as defined by § 13.1-559 of the Act, paid by each of the Virginia Franchisees. The Rescission Offer will allow each of the Virginia Franchisees thirty (30) days from the date of receipt to provide the Defendant with written notification of the individual Virginia Franchisee's decision to accept or reject the Rescission Offer.
  - b. The Defendant will provide the Division with a copy of the Rescission Offer, for review and comment, at least ten (10) days prior to sending it to the Virginia Franchisees.
  - c. The Defendant will send a copy of this Order to each of the Virginia Franchisees.
  - d. If any of the Virginia Franchisees accepts the Rescission Offer, the Defendant will make payment of the franchise fee to the Virginia Franchisee(s) within fifteen (15) days of receipt of the written acceptance.
  - e. Within ninety (90) days from the date of entry of this Order, the Defendant will submit to the Division an affidavit, executed by the Defendant, containing the date that each Virginia Franchisee received the Rescission Offer, each of the Virginia Franchisees' responses, and, if applicable, the franchise fee amount paid and the date that payment was sent to each of the Virginia Franchisees.
2. The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Thirty-Two Thousand Five Hundred Dollars (\$32,500) in monetary penalties.
3. The Defendant will not violate the Act in the future.

The Division supports the Defendant's settlement offer and recommends that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be, and is hereby, accepted.



Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms of the settlement.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. SEC-2022-00012  
APRIL 27, 2022**

APPLICATION OF  
NATIONAL COVENANT PROPERTIES

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

**ORDER OF EXEMPTION**

On March 2, 2022, National Covenant Properties ("NCP") submitted to the Virginia State Corporation Commission ("Commission") a written application, with attached exhibits ("Application"), requesting that NCP's 5-Year Fixed Rate Renewable Certificates, 30-Month Fixed Rate Renewable Certificates, Variable Rate Certificates, Demand Investment Accounts, Individual Retirement Account Certificates, and Health Savings Account Certificates (collectively, the "Certificates and Accounts") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

In support of its Application, NCP asserts, among other things, that: (i) NCP is an Illinois corporation operating not for private profit but exclusively for religious, charitable and educational purposes; (ii) NCP intends to offer and sell the Certificates and Accounts in an approximate aggregate amount of up to \$150,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the Application; (iii) said securities are to be offered and sold by agents of the issuer who are registered under the Act; and (iv) NCP will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of the exemption for the offering of the Certificates and Accounts described herein.

Based upon the facts asserted by NCP in the Application, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are exempt from the securities registration requirements of the Act. IT IS FURTHER ORDERED that, upon entry of this Order of Exemption, NCP will discontinue issuer transactions for all other securities previously exempted by the Commission.

**CASE NO. SEC-2022-00013  
APRIL 27, 2022**

APPLICATION OF  
GRACE BRETHREN INVESTMENT FOUNDATION, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

**ORDER OF EXEMPTION**

On March 2, 2022, Grace Brethren Investment Foundation, Inc. ("GBIF") submitted to the Virginia State Corporation Commission ("Commission") a written application, with attached exhibits ("Application"), requesting that GBIF's Demand Investments be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

In support of its Application, GBIF asserts, among other things, that: (i) GBIF is an Indiana corporation operating not for private profit but exclusively for religious, charitable, and educational purposes; (ii) GBIF intends to offer and sell the Demand Investments in an approximate aggregate amount of up to \$50,000,000 on terms and conditions as more fully described in the Prospectus filed as a part of the Application; (iii) said securities are to be offered and sold by agents of the issuer who are registered under the Act; and (iv) GBIF will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of the exemption for the offering of the Demand Investments described herein.

Based upon the facts asserted by GBIF in the Application, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are exempt from the securities registration requirements of the Act. IT IS FURTHER ORDERED that, upon entry of this Order of Exemption, GBIF will discontinue issuer transactions for all other securities previously exempted by the Commission.

**CASE NO. SEC-2022-00014**  
**MAY 2, 2022**

APPLICATION OF  
COLUMBIA UNION REVOLVING FUND

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

**ORDER OF EXEMPTION**

On April 7, 2022, Columbia Union Revolving Fund ("CURF") submitted to the Virginia State Corporation Commission ("Commission") a written application, with attached exhibits ("Application"), requesting that CURF's 90-day Demand Promissory Notes ("Notes") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

In support of its Application, CURF asserts, among other things, that: (i) CURF is a Delaware corporation operating not for private profit but exclusively for religious, charitable and educational purposes; (ii) CURF intends to offer and sell the Notes in an approximate aggregate amount of up to \$40,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the Application; (iii) said securities are to be offered and sold by registered agents of the issuer who are registered under the Act; and (iv) CURF will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of the exemption for the offering of the Notes described herein.

Based upon the facts asserted by CURF in the Application, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are exempt from the securities registration requirements of the Act. IT IS FURTHER ORDERED that, upon entry of this Order of Exemption, CURF will discontinue issuer transactions for all other securities previously exempted by the Commission.

**CASE NO. SEC-2022-00015**  
**JULY 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

INDEPENDENT FINANCIAL PLANNING, LLC,  
Defendant

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Independent Financial Planning, LLC ("IFP" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

IFP is a Virginia limited liability company with a principal office address at 1930 Isaac Newton Square, Suite 205, Reston, Virginia, 20190. IFP is an investment advisory firm that provides investment advisory services to clients. IFP has been registered with the Division as an investment advisor since November 13, 2014.

Based on its investigation, the Division alleges that from late 2019 until July 6, 2020, IFP advised its Virginia clients ("Investors") to buy EPUS Fund2020, LP ("Fund2020") partnership units. The Division alleges that as a result of these sales, IFP received three (3) years of advisory fees up front from Fund2020's exempt reporting advisor. The Division alleges that IFP violated Rule 21 VAC 5-80-200 A 10 of the Commission's rules regarding investment advisors, 21 VAC 5-80-10 *et seq.* ("Rules"), by charging the Investors advance advisory fees that were unreasonable in light of the fees charged by other investment advisors or federal covered advisors providing essentially the same services. The Division further alleges that when IFP received fees in advance, it also took custody of those fees without entering into custodial arrangements, in violation of Rule 21 VAC 5-80-146 B.

If any provisions of the Act or Rules are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 A of the Act to impose certain civil penalties; by § 13.1-521 C of the Act to order a defendant to make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

- (1) The Defendant, within thirty (30) days of the entry of this Order, will pay a total amount of Thirteen Thousand Five Hundred Dollars (\$13,500) in restitution to the Investors, in proportion to the amount each Investor invested;
- (2) The Defendant, within sixty (60) days of the entry of this Order, will provide the Division with proof of the restitution payments to the Investors as outlined above in Item (1);
- (3) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Four Thousand Dollars (\$4,000) in monetary penalties;

(4) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Two Thousand Dollars (\$2,000) to defray the costs of investigation in this matter; and

(5) The Defendant will not violate the Rules or the Act in the future.

The Division has accepted the Defendant's settlement offer and recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

(1) The settlement is accepted.

(2) The Defendant shall fully comply with the terms of the settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms of the settlement.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. SEC-2022-00016**  
**MAY 13, 2022**

APPLICATION OF  
MISSION INVESTMENT FUND OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

**ORDER OF EXEMPTION**

On April 11, 2022, Mission Investment Fund of the Evangelical Lutheran Church in America ("Mission Fund") submitted to the Virginia State Corporation Commission ("Commission") a written application, with attached exhibits ("Application"), requesting that Mission Fund's Demand Investments, Fixed and Adjustable Interest Term Investments, MIF4KIDZ Investments, and the IRA/CESA/HSA program (collectively, the "Investments") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

In support of its Application, Mission Fund asserts, among other things, that: (i) Mission Fund is a Minnesota corporation operating not for private profit but exclusively for religious purposes; (ii) Mission Fund intends to offer and sell the Investments in an approximate aggregate amount of up to \$500,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the Application; (iii) said securities are to be offered and sold by registered agents of the issuer who are registered under the Act; and (iv) Mission Fund will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of the exemption for the offering of the Investments described herein.

Based upon the facts asserted by Mission Fund in the Application, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are exempt from the securities registration requirements of the Act. IT IS FURTHER ORDERED that, upon entry of this Order of Exemption, Mission Fund will discontinue issuer transactions for all other securities previously exempted by the Commission.

**CASE NO. SEC-2022-00017**  
**MAY 13, 2022**

APPLICATION OF  
THE SOLOMON FOUNDATION

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

**ORDER OF EXEMPTION**

On April 18, 2022, The Solomon Foundation ("Foundation") submitted to the Virginia State Corporation Commission ("Commission") a written application, with attached exhibits ("Application"), requesting that the Foundation's Demand Certificates and Time Certificates (collectively, the "Certificates") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

In support of its Application, the Foundation asserts, among other things, that: (i) the Foundation is a Colorado corporation operating not for private profit but exclusively for religious and charitable purposes; (ii) the Foundation intends to offer and sell the Certificates in an approximate aggregate amount of up to \$600,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the Application; (iii) said securities are to be offered and sold by registered agents of the issuer who are registered under the Act; and (iv) the Foundation will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of the exemption for the offering of the Certificates described herein.

Based upon the facts asserted by the Foundation in the Application, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are exempt from the securities registration requirements of the Act. IT IS FURTHER ORDERED that, upon entry of this Order of Exemption, the Foundation will discontinue issuer transactions for all other securities previously exempted by the Commission.

**CASE NO. SEC-2022-00018  
JUNE 15, 2022**

APPLICATION OF  
CHURCH EXTENSION PLAN

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

**ORDER OF EXEMPTION**

On April 18, 2022, the Church Extension Plan ("CEP") submitted to the Virginia State Corporation Commission ("Commission") a written application, with attached exhibits ("Application"), requesting that the Vision Unsecured Promissory Notes ("Notes") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

In support of its Application, CEP asserts, among other things, that: (i) CEP is an Oregon corporation operating not for private profit but exclusively for religious, charitable, and educational purposes; (ii) CEP intends to offer and sell the Notes in an approximate aggregate amount of up to \$200,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the Application; and (iii) said securities are to be offered and sold by registered agents of the issuer who are registered under the Act.

Based upon the facts asserted by CEP in the Application, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are exempt from the securities registration requirements of the Act.

**CASE NO. SEC-2022-00020  
JUNE 30, 2022**

APPLICATION OF  
CAPITAL IMPACT PARTNERS

For registration of securities pursuant to § 13.1-510 of the Code of Virginia

**ORDER EFFECTING REGISTRATION OF  
SECURITIES BY QUALIFICATION**

On March 31, 2022, Capital Impact Partners ("CIP") submitted to the State Corporation Commission ("Commission") a written registration statement, with attached exhibits ("Application"), requesting that its Capital Impact Investment Notes ("Notes") be registered by qualification pursuant to § 13.1-510 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia. The requisite fee of Five Hundred Dollars (\$500) has been paid.

In support of its Application, CIP asserts, among other things, that: (i) CIP is a District of Columbia corporation formed on December 30, 1982; and (ii) CIP intends to offer and sell the Notes for an aggregate amount of up to \$150,000,000. The Notes will be offered and sold by registered broker-dealers.

NOW THE COMMISSION, based on the facts asserted by CIP in the Application, and upon the recommendation of the Division of Securities and Retail Franchising, is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are registered for offer and sale in the Commonwealth of Virginia through a prospectus, a copy of which is filed as a part of the record in this case, and only by such broker-dealers that are registered under the Act.

**CASE NO. SEC-2022-00023**  
**JULY 28, 2022**

APPLICATION OF  
BOARD OF CHURCH EXTENSION OF DISCIPLES OF CHRIST, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

**ORDER OF EXEMPTION**

On May 31, 2022, the Board of Church Extension of Disciples of Christ, Inc. ("Board of Church Extension") submitted to the Virginia State Corporation Commission ("Commission") a written application with attached exhibits ("Application") requesting that the Board of Church Extension's Flexible Demand Notes, Fixed Rate Term Notes (12 Month to 60 Month Term), Kid Builder Notes (36 Month), Variable Rate Term Notes (3 and 5 year Terms), Variable Rate Term Educational Growth Notes (1-20 Years), and 180 Day Term Notes (collectively, the "Notes") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

In support of its Application, the Board of Church Extension asserts, among other things, that: (i) the Board of Church Extension is an Indiana corporation operating not for private profit but exclusively for religious purposes; (ii) the Board of Church Extension intends to offer and sell the Notes in an approximate aggregate amount of up to \$175 million on terms and conditions as more fully described in the Offering Circular filed as a part of the Application; (iii) said securities are to be offered and sold by registered agents of the issuer; and (iv) the Board of Church Extension will discontinue issuer transactions for all securities previously exempted by the Commission upon the grant of the exemption for the offering of the Notes described herein.

Based upon the facts asserted by the Board of Church Extension in the Application and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act. IT IS FURTHER ORDERED that, upon entry of this Order of Exemption, the Board of Church Extension will discontinue issuer transactions for all securities previously exempted by the Commission.

**CASE NO. SEC-2022-00024**  
**DECEMBER 9, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
MICHAEL ALAN FLORIN TODD and ONPOINT FINANCIAL MANAGEMENT, LLC (f/k/a ONPOINT FINANCIAL RETIREMENT, LLC),  
Defendants

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Michael Alan Florin Todd ("Todd") and OnPoint Financial Management, LLC ("OFM"), formerly known as OnPoint Financial Retirement, LLC ("OFR") (collectively, the "Defendants"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

OFR was a Virginia limited liability company and Virginia registered investment advisor whose registration lapsed in 2019. OFM is a Virginia limited liability company with a principal office address at 2400 Old Brick Rd., Suite 307, Glen Allen, Virginia, 23060-5841. Todd renamed OFR to OFM in 2021. However, Todd failed to register OFM as an investment advisor. OFM, therefore, was not properly registered in Virginia as an investment advisor. Todd is the sole member and chief executive officer of OFM. Todd also was not properly registered in Virginia as an investment advisor representative of OFM.<sup>1</sup>

The Division alleges that Todd and OFM violated § 13.1-504 A (ii) of the Act by transacting business in Virginia as an investment advisor or investment advisor representative without being registered as required under the Act. Based on its investigation, the Division alleges that from January 18, 2021 through September 22, 2021, Todd provided investment advisory services to clients through OFM, and received payment for these services via Venmo, PayPal, and check. The Division also alleges that the Defendants provided many services to clients through verbal contracts, in violation of § 13.1-503 C of the Act. The Division additionally alleges that Todd and OFM violated Rule 21 VAC 5-80-200 B 16 of the Commission's rules regarding investment advisors, 21 VAC 5-80-10 *et seq.* ("Rules"), by entering into, extending or renewing investment advisory contracts with clients without such contracts being in writing and without disclosing, in substance, the services to be provided, and the terms of the contracts, among other things.

If any provisions of the Act or Rules are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 A of the Act to impose certain civil penalties; by § 13.1-521 C of the Act to order a defendant to make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations made herein but admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Division wherein the Defendants will abide by and comply with the following terms:

<sup>1</sup> From May 30, 2018 through September 24, 2021, Todd was registered in Virginia as an investment advisor representative of IAMS Wealth Management, LLC.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(1) Within thirty (30) days of the entry of this Order, the Defendants will engage the services of and enter into a contract with an independent third-party compliance firm ("Compliance Firm"), approved by the Division, to perform annual on-site or virtual examinations of the Defendants' compliance-related activity for a period of two (2) years, ending on September 30, 2024. The Compliance Firm shall determine whether any irregularity or abuse has occurred in connection with the Defendants' business activities. The Compliance Firm shall produce a corresponding report to the Division no more than thirty (30) days after any such determination occurs. Each examination should determine Defendants' compliance with all applicable securities laws and annual and proposed amendments to the Form ADV; include a review of the Defendants' proposed advertising and marketing materials; and, at a minimum, also include:

- (a) a review of OFM's new account documentation and its process when onboarding new clients;
- (b) a review of client trading activities and correspondence; and
- (c) a review of all securities activities for Todd and/or OFM.

(2) The Defendants, contemporaneously with the entry of this Order, shall provide a copy of this Order to each of the twenty-two (22) clients from whom Todd received and retained payment for the services described above;

(3) The Defendants will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars (\$5,000) in monetary penalties; and

(4) The Defendants will not violate the Act in the future.

The Division supports the Defendants' settlement offer and recommends that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendants shall fully comply with the terms of the settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms of the settlement.

**CASE NO. SEC-2022-00028  
SEPTEMBER 29, 2022**

APPLICATION OF  
LUTHERAN CHURCH EXTENSION FUND - MISSOURI SYNOD

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

**ORDER OF EXEMPTION**

On August 29, 2022, the Lutheran Church Extension Fund - Missouri Synod ("LCEF") submitted to the Virginia State Corporation Commission ("Commission") a written application with attached exhibits ("Application") requesting that the LCEF's Young Investor ("Y.I.") Stamps, Dedicated Certificates, Family Emergency StewardAccount Certificates, StewardAccount Certificates, Gold Tier StewardAccount Certificates, Y.I. StewardAccount Certificates, FlexPlus Certificates, Fixed-Rate Term Notes, Floating-Rate Term Notes, Congregation Demand Certificates, and Congregation StewardAccount Certificates (collectively, the "Certificates") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia.

In support of its Application, the LCEF asserts, among other things, that: (i) the LCEF is a Missouri corporation operating not for private profit but exclusively for religious, educational, and charitable purposes; (ii) the LCEF intends to offer and sell the Certificates in an approximate aggregate amount of up to \$75 million on terms and conditions as more fully described in the Offering Circular filed as a part of the Application; (iii) said securities are to be offered and sold by a registered agent of the issuer; and (iv) the LCEF will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of the exemption for the offering of the Certificates described herein.

Based upon the facts asserted by the LCEF in the Application, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the Certificates are exempt from the securities registration requirements of the Act.

IT IS FURTHER ORDERED that, upon entry of this Order of Exemption, the LCEF shall discontinue issuer transactions for all other securities previously exempted by the Commission.

**CASE NO. SEC-2022-00031  
DECEMBER 9, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
JEFFREY BRUCE,  
Defendant

**SETTLEMENT ORDER**

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Jeffrey Bruce ("Bruce" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

From October 2018 through March 2020, Bruce was employed as an investment advisor representative by Permanens Capital L.P. ("Permanens"), a federal covered advisor. Bruce resided and maintained a place of business in Virginia during that time period and has never been registered with the Division as an investment advisor representative in Virginia.

Based on its investigation, the Division alleges that from October 2018 through March 2020, Bruce provided investment advisory services to Virginia residents without being registered with the Division as an investment advisor representative, in violation of § 13.1-504 A of the Act. The Division further alleges that Bruce violated Rule 21 VAC 5-80-70 A of the Commission's rules regarding Investment Advisors, 21 VAC 5-80-10 *et seq.*, ("Rules"), applicable to investment advisor representatives, by failing to provide the Commission the necessary executed forms, fee, and information as required under the Rules.

If the provisions of the Act or Rules are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 A of the Act to impose a civil penalty; by § 13.1-521 C of the Act to order a defendant to make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

- (1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars (\$5,000) in monetary penalty;
- (2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Two Thousand Dollars (\$2,000) to defray the costs of investigation in this matter; and
- (3) The Defendant agrees not to violate the Act in the future.

The Division supports the Defendant's offer of settlement and has recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the settlement.
- (3) This Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms of the settlement.

NOTE: A copy of the Admission and Consent form is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

## DIVISION OF UTILITY AND RAILROAD SAFETY

**CASE NO. URS-2019-00209  
MAY 4, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

VIRGINIA CABLE CONSTRUCTORS, LLC,  
Defendant

### FINAL ORDER

On November 10, 2020, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Virginia Cable Constructors, LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about February 7, 2019, the Defendant damaged a three-quarter-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 720 East Little Creek Road, Norfolk, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to exercise due care at all times to protect the underground utility line when exposing these lines by hand digging, in violation of Code § 56-265.24 A.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before January 6, 2021. The Defendant failed to file a responsive pleading.

On March 3, 2021, the matter was heard by Mary Beth Adams, Hearing Examiner. William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.<sup>1</sup> Additionally, proof of service of the Rule on the Defendant; and the prefiled written testimony of Robert DeAtley, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>2</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$2,500 for the violation of the Act.<sup>3</sup>

On March 24, 2021, the Hearing Examiner's Report ("Report") was filed. Because the Defendant did not file a response to the Rule and did not appear at the hearing, the Hearing Examiner concluded that the Division's Motion should be granted and found that the Defendant should be held in default.<sup>4</sup> The Hearing Examiner found by clear and convincing evidence that the Defendant violated Code § 56-265.24 A in one instance by failing to exercise due care at all times to protect the underground utility line when exposing these lines by hand digging.<sup>5</sup> The Hearing Examiner further found that the Defendant should be penalized in the amount of \$2,500 and enjoined from further violations of the Act.<sup>6</sup> The Hearing Examiner recommended that the Commission enter an order that grants the Division's Motion, adopts the findings in the Report, imposes a civil penalty of \$2,500 on the Defendant, and enjoins the Defendant from further violations of the Act.<sup>7</sup> The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.<sup>8</sup> No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable law, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Two Thousand Five Hundred Dollars (\$2,500) hereby is imposed on the Defendant for the violation found by the Hearing Examiner.

<sup>1</sup> Tr. 7-8.

<sup>2</sup> Tr. 6-7. Ex. 1 (Proof of certified mailing to the Defendant's Registered Agent); Ex. 2 (Proof of personal service on the Defendant's Registered Agent); Ex. 3 (Prefiled testimony of Robert DeAtley).

<sup>3</sup> Tr. 7-8.

<sup>4</sup> Report at 4.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 5.



- (4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2019-00209 shall be referenced in any document transmitting payment of the penalty imposed herein.
- (5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.
- (6) The Defendant hereby is enjoined from any further violations of the Act.
- (7) This case hereby is dismissed.

**CASE NO. URS-2019-00262  
JANUARY 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
EMT ASPHALT, INC., D/B/A SALEM PAVING CORPORATION,  
Defendant

**FINAL ORDER**

On September 13, 2021, the State Corporation Commission ("Commission") issued an Amended Rule to Show Cause ("Rule") against EMT Asphalt, Inc., d/b/a Salem Paving Corporation ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act ("Damage Prevention Rules").<sup>1</sup>

Specifically, the Rule alleged that on or about May 7, 2019, the Defendant damaged a one-half-inch steel gas service line operated by Roanoke Gas Company, located at or near 902 Peyton Street, N.W., Roanoke County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to take all reasonable steps necessary to properly protect, support and backfill the underground utility line, in violation of Code § 56-265.24 A; failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules; and failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of Damage Prevention Rule 20 VAC 5-309-200.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before October 14, 2021. The Defendant failed to file a responsive pleading.

On November 3, 2021, the matter was heard by Michael D. Thomas, Senior Hearing Examiner. M. Aaron Campbell, Senior Counsel, and William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.<sup>2</sup> Additionally, proof of service of the Rule on the Defendant; and the prefiled written testimony of Joseph B. Williams, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>3</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$2,500 for each violation of the Act and Damage Prevention Rules, for a total fine of \$7,500.<sup>4</sup>

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<sup>1</sup> 20 VAC 5-309-10 *et seq.*

<sup>2</sup> Tr. at 30.

<sup>3</sup> *Id.* at 29-30; Ex. 1 (Proof of certified mailing to the Defendant); Ex. 2 (Proof of receipt of certified mailing); Ex. 3 (proof of personal service) and Ex. 4 (The prefiled testimony of Joseph B. Williams).

<sup>4</sup> *Id.* at 30.

On November 30, 2021, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that (i) the Defendant violated Code § 56-265.24 A in one instance by failing to take all reasonable steps necessary to properly protect, support and backfill the underground utility line; (ii) the Defendant violated 20 VAC 5-309-140 (4) of the Damage Prevention Rules in one instance by failing to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment; and (iii) the Defendant violated 20 VAC 5-309-200 of the Damage Prevention Rules in one instance by failing to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation.<sup>5</sup> The Hearing Examiner recommended that the Commission enter an order that holds the defendant in default; adopts the findings in the Report; penalizes the Defendant the sum of \$7,500 pursuant to § 56-265.32 of the Code, and enjoins the Defendant from future violations of the Act.<sup>6</sup> The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.<sup>7</sup> No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.
- (3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Seven Thousand Five Hundred Dollars (\$7,500) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.
- (4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2019-00262 shall be referenced in any document transmitting payment of the penalty imposed herein.
- (5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.
- (6) The Defendant hereby is enjoined from any further violations of the Act.
- (7) This case hereby is dismissed.

<sup>5</sup> Report at 2.

<sup>6</sup> *Id.* at 1-2.

<sup>7</sup> *Id.* at 2-3.

**CASE NO. URS-2019-00266  
JANUARY 25, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

TURNER CONCRETE CONTRACTING LLC,  
Defendant

**FINAL ORDER**

On September 3, 2021, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Turner Concrete Contracting LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act ("Damage Prevention Rules").<sup>1</sup>

Specifically, the Rule alleged that on or about March 19, 2019, the Defendant damaged a three-quarter-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 4004 Sherwood Lane, Virginia Beach, Virginia, while excavating. The Rule alleged that the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A; failed to expose the underground utility line to its extremities by hand digging, in violation of Code § 56-265.24 A; and failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

During the November 3, 2021 hearing, the Division orally moved to dismiss this Rule ("Motion"). In support of its Motion, the Division stated that subsequent to the issuance of the Rule, the Division determined that an alternative enforcement method is appropriate in this case.<sup>2</sup>

<sup>1</sup> 20 VAC 5-309-10 *et seq.*

<sup>2</sup> Tr. at 6-7.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On December 8, 2021, the Report of Michael D. Thomas, Senior Hearing Examiner ("Report") was filed. The Hearing Examiner found that the Division's Motion should be granted, and the Commission should dismiss the Rule without prejudice.<sup>3</sup>

NOW THE COMMISSION, upon consideration of the Rule, the Report, the record, and the applicable statutes, is of the opinion and finds that the findings in the Report should be adopted, the Division's Motion should be granted, and that this case should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

<sup>3</sup> Report at 1.

**CASE NO. URS-2019-00299  
APRIL 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ISSAC MARTINEZ, INDIVIDUALLY AND D/B/A MARTINEZ UNDERGROUND,  
Defendant

**FINAL ORDER**

On September 3, 2021, the State Corporation Commission ("Commission") issued an Amended Rule to Show Cause ("Amended Rule") against Issac Martinez, individually and d/b/a Martinez Underground ("Defendant") which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act ("Damage Prevention Rules").<sup>1</sup>

Specifically, the Amended Rule alleged that on or about June 17, 2019, the Defendant damaged a two-inch plastic gas main operated by Virginia Natural Gas, Inc., located at or near 201 Grove Avenue, Suffolk, Virginia, while excavating. The Amended Rule alleged that on this occasion, the Defendant failed to expose the underground utility line to its extremities by hand digging, in violation of Code § 56-265.24 A; and failed to visually check the drill head as it passed through potholes, entrances, and exit pits, in violation of 20 VAC 5-309-150 (8) of the Damage Prevention Rules.

The Amended Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Amended Rule with the Clerk of the Commission on or before October 14, 2021. The Defendant failed to file a responsive pleading.

On November 3, 2021, the matter was heard by Michael D. Thomas, Senior Hearing Examiner. William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.<sup>2</sup> Additionally, proof of service of the Amended Rule on the Defendant and the prefiled written testimony of Robert DeAtley, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>3</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$5,000 for the violations of the Act and Damage Prevention Rules.<sup>4</sup>

On December 8, 2021, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found that, since the Defendant filed no responsive pleading to the Amended Rule, the Defendant was in default and might have entered against the Defendant a judgment by default imposing some or all the sanctions permissible under Virginia law.<sup>5</sup> The Senior Hearing Examiner next found by clear and convincing evidence that the Defendant violated Code § 56-265.24 A in one instance by failing to expose the underground utility line to its extremities by hand digging; and the Defendant violated 20 VAC 5-309-150 (8) of the Damage Prevention Rules in one instance by failing to visually check the drill head as it passed through potholes, entrances, and exit pits.<sup>6</sup> The Senior Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of \$5,000 pursuant to § 56-265.32 of the Code; and enjoins the Defendant from future violations of the Act.<sup>7</sup> The Senior Hearing Examiner invited the parties to file comments in response to the Report on or before December 27, 2021.<sup>8</sup> No comments were filed.

NOW THE COMMISSION, upon consideration of the Amended Rule, the record, the Report, and the applicable law, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

<sup>1</sup> 20 VAC 5-309-10 *et seq.*

<sup>2</sup> Tr. 24.

<sup>3</sup> Tr. 22-24. Ex. 1 (Proof of certified mailing to the Defendant); Ex. 2 (Proof of service on the Secretary of the Commonwealth); Ex 3 (Prefiled testimony of Robert DeAtley).

<sup>4</sup> Tr. 24.

<sup>5</sup> Report at 1.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.
- (3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars (\$5,000) hereby is imposed on the Defendant for the violations found by the Senior Hearing Examiner.
- (4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2019-00299 shall be referenced in any document transmitting payment of the penalty imposed herein.
- (5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.
- (6) The Defendant hereby is enjoined from any further violations of the Act and Damage Prevention Rules.
- (7) This case hereby is dismissed.

**CASE NO. URS-2019-00377  
JANUARY 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
West Utilities LLC,  
Defendant

CASE NO. URS-2019-00377  
CASE NO. URS-2020-00232

**FINAL ORDER**

On August 16, 2021, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against West Utilities LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about May 6, 2019, the Defendant damaged a three-quarter-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1985 Thomas Bishop Lane, Virginia Beach, Virginia, while excavating. The Rule further alleged that on or about October 7, 2019, the Defendant damaged a one-and-one-quarter-inch plastic gas main operated by Columbia Gas of Virginia, Inc., located at or near 4700 Thornwood Drive, Portsmouth, Virginia, while excavating. The Rule alleged that on the above occasions, the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before October 14, 2021. The Defendant failed to file a responsive pleading.

On November 3, 2021, the matter was heard by Michael D. Thomas, Senior Hearing Examiner. M. Aaron Campbell, Senior Counsel, and William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.<sup>1</sup> Additionally, proof of service of the Rule on the Defendant; and the prefiled written testimony of Christopher Shawn Rush, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>2</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$2,500 for each violation of the Act, resulting in a total fine of \$5,000.<sup>3</sup>

On November 16, 2021, the Division filed a motion requesting the hearing examiner accept a late-filed exhibit ("Second Motion") consisting of the United States Postal Service Certified Mail Receipt showing a copy of the Rule was mailed by certified mail, return receipt requested, on August 17, 2021, to the registered agent of the Defendant at the current address used by the registered agent. The Defendant filed no response to the Division's Second Motion.

On January 11, 2022, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that the Defendant violated Code § 56-265.17 A on two occasions by failing to contact the notification center prior to commencing an excavation.<sup>4</sup> The Hearing Examiner recommended that the Commission enter an order that holds the defendant in default; adopts the findings in the Report; penalizes the Defendant

<sup>1</sup> Tr. at 21.

<sup>2</sup> *Id.* at 20-21; Ex. 1 (Proof of certified mailing to the Defendant's registered agent); Ex. 2 (Proof of receipt of certified mailing to the Defendant's last known address); and Ex. 3 (the prefiled testimony of Christopher Shawn Rush).

<sup>3</sup> Tr. at 21.

<sup>4</sup> Report at 2.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

the sum of \$5,000 pursuant to § 56-265.32 of the Code, and enjoins the Defendant from future violations of the Act.<sup>5</sup> The Hearing Examiner also granted the Second Motion and admitted the late-filed exhibit as Exhibit 4 in the record.<sup>6</sup> The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.<sup>7</sup> No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.
- (3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars (\$5,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.
- (4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case Nos. URS-2019-00377 and URS-2020-00232 shall be referenced in any document transmitting payment of the penalty imposed herein.
- (5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.
- (6) The Defendant hereby is enjoined from any further violations of the Act.
- (7) This case hereby is dismissed.

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<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

**CASE NO. URS-2019-00381  
APRIL 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

HOMEMODIFICATIONS LLC,  
Defendant

**FINAL ORDER**

On November 10, 2020, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Homemodifications LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about May 14, 2019, the Defendant damaged a one-half-inch plastic gas service line operated by Washington Gas Light Company, located at or near 5300 Greenough Place, Fairfax County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before January 6, 2021. The Defendant failed to file a responsive pleading.

On March 3, 2021, the matter was heard by Mary Beth Adams, Hearing Examiner. William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.<sup>1</sup> Additionally, proof of service of the Rule on the Defendant and the prefiled written testimony of Christopher Shawn Rush, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>2</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$2,500 for the violation of the Act.<sup>3</sup>

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<sup>1</sup> Tr. 15-16.

<sup>2</sup> Tr. 14-15. Ex. 1 (Proof of certified mailing to the Defendant's Registered Agent); Ex. 2 (Prefiled testimony of Christopher Shawn Rush).

<sup>3</sup> Tr. 15-16.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On March 24, 2021, the Hearing Examiner's Report ("Report") was filed. Because the Defendant did not file a response to the Rule and did not appear at the hearing, the Hearing Examiner concluded that the Division's Motion should be granted and found that the Defendant should be held in default.<sup>4</sup> The Hearing Examiner found by clear and convincing evidence that the Defendant violated Code § 56-265.17 A in one instance by failing to notify the notification center before beginning an excavation.<sup>5</sup> The Hearing Examiner further found that the Defendant should be penalized in the amount of \$2,500 and enjoined from further violations of the Act.<sup>6</sup> The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report, grants the Division's Motion, imposes a civil penalty of \$2,500 on the Defendant, and enjoins the Defendant from future violations of the Act.<sup>7</sup> The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.<sup>8</sup> No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable law, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.
- (3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Two Thousand Five Hundred Dollars (\$2,500) hereby is imposed on the Defendant for the violation found by the Hearing Examiner.
- (4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2019-00381 shall be referenced in any document transmitting payment of the penalty imposed herein.
- (5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.
- (6) The Defendant hereby is enjoined from any further violations of the Act.
- (7) This case hereby is dismissed.

<sup>4</sup> Report at 3, 4.

<sup>5</sup> *Id.* at 3.

<sup>6</sup> *Id.* at 4.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

**CASE NO. URS-2020-00078  
APRIL 29, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

3RS SITE DEVELOPMENT AND LANDSCAPING LLC,  
Defendant

**FINAL ORDER**

On August 12, 2021, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against 3RS Site Development and Landscaping LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about April 14, 2020, the Defendant damaged a three-quarter-inch steel gas service line operated by Washington Gas Light Company, located at or near 2924 Sayre Road, Fairfax County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before October 14, 2021. The Defendant failed to file a responsive pleading.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

On November 3, 2021, the matter was heard by Michael D. Thomas, Senior Hearing Examiner. William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.<sup>1</sup> Additionally, proof of service of the Rule on the Defendant and the prefiled written testimony of Robert DeAtley, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>2</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$2,500 for the violation of the Act.<sup>3</sup>

On February 11, 2022, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner first found that, since the Defendant filed no response to the Rule on or before October 14, 2021, the Defendant was in default and might have entered against it a judgment by default imposing some or all the sanctions permissible under Virginia law.<sup>4</sup> The Senior Hearing Examiner found by clear and convincing evidence that the Defendant violated Code § 56-265.17 A in one instance by failing to notify the notification center before beginning an excavation.<sup>5</sup> The Senior Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of \$2,500 for the violation of Code § 56-265.17 A; and enjoins the Defendant from future violations of the Act.<sup>6</sup> The Senior Hearing Examiner invited the parties to file comments in response to the Report on or before March 4, 2022.<sup>7</sup> No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable law, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.
- (3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Two Thousand Five Hundred Dollars (\$2,500) hereby is imposed on the Defendant for the violation found by the Senior Hearing Examiner.
- (4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2020-00078 shall be referenced in any document transmitting payment of the penalty imposed herein.
- (5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.
- (6) The Defendant hereby is enjoined from any further violations of the Act.
- (7) This case hereby is dismissed.

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<sup>1</sup> Tr. 18.

<sup>2</sup> Tr. 16-17. Ex. 1 (Proof of certified mailing to the Defendant's registered agent); Ex. 2 (Prefiled testimony of Robert DeAtley).

<sup>3</sup> Tr. 18.

<sup>4</sup> Report at 1. In the Report, the Senior Hearing Examiner also accepted into the record three late-filed exhibits related to service: Ex. 3 (Return of service by Fairfax County, Virginia, Sheriff's Office showing the Rule was personally served on the Defendant's registered agent on August 18, 2021, at 6977 Telegraph Road, Alexandria, Virginia 22310); Ex. 4 (United States Postal Service certified mail receipt showing that a copy of the Rule was mailed to the Defendant's registered agent on August 13, 2021, at 6977 Telegraph Road, Alexandria, Virginia 22310) and Ex. 5 (United States Postal Service return receipt card showing that a copy of the Rule was delivered to Defendant's registered agent at 6977 Telegraph Road, Alexandria, Virginia 22310). Report at 1-2.

<sup>5</sup> Report at 2.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

**CASE NO. URS-2020-00129  
FEBRUARY 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

TIMOTHY BARRETT, INDIVIDUALLY AND D/B/A BARRETT CONSTRUCTION,  
Defendant

**FINAL ORDER**

On August 11, 2021, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Timothy Barrett, individually and d/b/a Barrett Construction ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 of Title 56<sup>1</sup> of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Damage Prevention Act ("Damage Prevention Rules").<sup>2</sup>

Specifically, the Rule alleged that on or about February 6, 2020, the Defendant damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2805 Ryland Road, Hampton, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A; failed to immediately notify the operator of the damage, in violation of Code § 56-265.24 D; failed to take immediate steps reasonably calculated to safeguard life, health and property, in violation of Code § 56-265.24 E; and failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of 20 VAC 5-309-200 of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before October 14, 2021. The Defendant failed to file a responsive pleading.

On November 3, 2021, the matter was heard by Michael D. Thomas, Senior Hearing Examiner. William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.<sup>3</sup> Additionally, proof of service of the Rule on the Defendant; and the prefiled written testimony of Christopher Shawn Rush, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>4</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$10,000 for the violations of the Act and Damage Prevention Rules.<sup>5</sup>

On December 2, 2021, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found by clear and convincing evidence that the Defendant violated Code § 56-265.17 A in one instance by failing to notify the notification center before beginning an excavation; the Defendant violated Code § 56-265.24 D in one instance by failing to immediately notify the operator of an underground utility of the damage to its gas service line; the Defendant violated Code § 56-265.24 E in one instance by failing to take immediate steps reasonably calculated to safeguard life, health and property; and the Defendant violated 20 VAC 5-309-200 of the Damage Prevention Rules in one instance by failing to promptly report the damage to the gas service line to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation.<sup>6</sup> The Hearing Examiner further found the Defendant's actions could have resulted in the loss of life or serious property damage and as a consequence the maximum penalty permitted under Virginia law should be imposed for the violations.<sup>7</sup> The Hearing Examiner recommended that the Commission enter an order that holds the Defendant in default; adopts the findings in the Report; penalizes the Defendant the sum of \$10,000 pursuant to § 56-265.32 of the Code; and enjoins the Defendant from future violations of the Act.<sup>8</sup> The Hearing Examiner invited the parties to file comments in response to the Report within 25 days of the date thereof.<sup>9</sup> No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.

<sup>1</sup> Code § 56-265.14 *et seq.*

<sup>2</sup> 20 VAC 5-309-10 *et seq.*

<sup>3</sup> Tr. 15-16.

<sup>4</sup> *Id.* at 14-15. Ex. 1 (Proof of certified mailing to the Defendant); Ex. 2 (Proof of posted service on the Defendant); Ex. 3 (Prefiled testimony of Christopher Shawn Rush).

<sup>5</sup> Tr. 16.

<sup>6</sup> Report at 2.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 1-2.

<sup>9</sup> *Id.* at 2.



(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Ten Thousand Dollars (\$10,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2020-00129 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

**CASE NO. URS-2020-00188  
FEBRUARY 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
D. A. FOSTER COMPANY,  
Defendant

**FINAL ORDER**

On August 16, 2021, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against D. A. Foster Company ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 of Title 56<sup>1</sup> of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Damage Prevention Act ("Damage Prevention Rules").<sup>2</sup>

Specifically, the Rule alleged that on or about November 21, 2019, the Defendant damaged a three-quarter-inch plastic gas service line operated by Washington Gas Light Company, located at or near 4818 9th Street South, Arlington County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to expose the underground utility lines to their extremities by hand digging, in violation of Code § 56-265.24 A, and failed to maintain a reasonable clearance between the marked location of the underground utility lines and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before October 14, 2021. The Defendant failed to file a responsive pleading.

On November 3, 2021, the matter was heard by Michael D. Thomas, Senior Hearing Examiner. M. Aaron Campbell, Senior Counsel, and William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.<sup>3</sup> Additionally, proof of service of the Rule on the Defendant and the prefiled written testimony of Christopher Shawn Rush, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>4</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$5,000 for the violations of the Act and Damage Prevention Rules.<sup>5</sup>

On November 30, 2021, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found by clear and convincing evidence that the Defendant violated Code § 56-265.24 A in one instance by failing to expose the underground utility lines to their extremities by hand digging, and violated 20 VAC 5-309-140 (4) of the Damage Prevention Rules, in one instance by failing to maintain a reasonable clearance between the marked location of the underground utility line and the cutting edge or point of any mechanized equipment.<sup>6</sup> The Hearing Examiner recommended that the Commission enter an order that holds the Defendant in default; adopts the findings in the Report; penalizes the Defendant the sum of \$5,000 pursuant to § 56-265.32 of the Code, and enjoins the Defendant from future violations of the Act and Damage Prevention Rules.<sup>7</sup> The Hearing Examiner invited the parties to file comments in response to the Report within 22 days of the date thereof.<sup>8</sup> No comments were filed.

<sup>1</sup> Code § 56-265.14 *et seq.*

<sup>2</sup> 20 VAC 5-309-10 *et seq.*

<sup>3</sup> Tr. at 36.

<sup>4</sup> *Id.* at 34-36. Ex. 1 (Proof of certified mailing to the Defendant's registered agent); Ex. 2 (Proof of receipt of certified mailing); Ex. 3 (Prefiled testimony of Christopher Shawn Rush).

<sup>5</sup> *Id.* at 36.

<sup>6</sup> Report at 2.

<sup>7</sup> *Id.* at 1-2.

<sup>8</sup> *Id.* at 2.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.
- (3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars (\$5,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.
- (4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2020-00188 shall be referenced in any document transmitting payment of the penalty imposed herein.
- (5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.
- (6) The Defendant hereby is enjoined from any further violations of the Act.
- (7) This case hereby is dismissed.

**CASE NO. URS-2020-00193  
AUGUST 16, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
TRI CITY UNDERGROUND LLC,  
Defendant

**FINAL ORDER**

On August 12, 2021, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Tri City Underground, LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code"), and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act ("Damage Prevention Rules"), 20 VAC 5-309-10 *et seq.*

Specifically, the Rule alleged that on or about March 30, 2020, the Defendant excavated at or near 12018 West Broad Street, Henrico County, Virginia. The Rule alleged that on this occasion, the Defendant failed in three instances to expose the underground utility lines to their extremities by hand digging, in violation of Code § 56-265.24 A; and failed in six instances to visually check the drill head as it passed through potholes, entrances, and exit pits, in violation of 20 VAC 5-309-150 (8) of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before October 14, 2021. The Defendant failed to file a responsive pleading.

On November 3, 2021, the matter was heard by Michael D. Thomas, Senior Hearing Examiner. William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. On the bases that the Defendant failed to appear at the hearing and did not file a responsive pleading, the Division moved for default judgment ("Motion") against the Defendant.<sup>1</sup> Additionally, proof of service of the Rule on the Defendant and the prefiled written testimony of Robert DeAtley, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>2</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$5,000 for the violations of the Act and Damage Prevention Rules.<sup>3</sup>

On December 2, 2021, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found by clear and convincing evidence that the Defendant violated Code § 56-265.24 A in three instances by failing to expose the underground utility lines to their extremities by hand digging, and that the Defendant violated 20 VAC 5-309-150 (8) of the Damage Prevention Rules in six instances by failing to visually check the drill head as it passed through potholes, entrances, and exit pits.<sup>4</sup> The Senior Hearing Examiner further found the Defendant is in default and may have entered against the Defendant a judgment by default imposing some or all of the sanctions permissible under Virginia law.<sup>5</sup> The Senior Hearing Examiner recommended

<sup>1</sup> Tr. at 12-13.

<sup>2</sup> *Id.* at 10-12; Ex. 1 (Proof of certified mailing to the Defendant's registered agent); Ex. 2 (Proof of receipt of certified mailing); Ex. 3 (Proof of personal service on the Defendant); Ex 4 (Prefiled testimony of Robert DeAtley).

<sup>3</sup> Tr. at 13.

<sup>4</sup> Report at 2.

<sup>5</sup> *Id.* at 1.

that the Commission enter an Order that adopts the findings in the Report, penalizes the Defendant the sum of \$5,000 pursuant to § 56-265.32 of the Code,<sup>6</sup> and enjoins the Defendant from future violations of the Act.<sup>7</sup> The Senior Hearing Examiner invited the parties to file comments in response to the Report.<sup>8</sup> No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted and that the Motion should be dismissed.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.
- (3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars (\$5,000) hereby is imposed on the Defendant for the violations found by the Senior Hearing Examiner.
- (4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2020-00193 shall be referenced in any document transmitting payment of the penalty imposed herein.
- (5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.
- (6) The Defendant hereby is enjoined from any future violations of the Act and Damage Prevention Rules.
- (7) This case hereby is dismissed.

<sup>6</sup> The Senior Hearing Examiner specifically recommended a penalty of \$2,500 for the Defendant's violations of Code § 56-265.24 A, and another \$2,500 for the Defendant's violations of 20 VAC 5-309-150 (8) of the Damage Prevention Rules. *Id.* at 2.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

**CASE NO. URS-2020-00232  
JANUARY 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
West Utilities LLC,  
Defendant

CASE NO. URS-2019-00377  
CASE NO. URS-2020-00232

**FINAL ORDER**

On August 16, 2021, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against West Utilities LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about May 6, 2019, the Defendant damaged a three-quarter-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1985 Thomas Bishop Lane, Virginia Beach, Virginia, while excavating. The Rule further alleged that on or about October 7, 2019, the Defendant damaged a one-and-one-quarter-inch plastic gas main operated by Columbia Gas of Virginia, Inc., located at or near 4700 Thornwood Drive, Portsmouth, Virginia, while excavating. The Rule alleged that on the above occasions, the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before October 14, 2021. The Defendant failed to file a responsive pleading.

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On November 3, 2021, the matter was heard by Michael D. Thomas, Senior Hearing Examiner. M. Aaron Campbell, Senior Counsel, and William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.<sup>1</sup> Additionally, proof of service of the Rule on the Defendant; and the prefiled written testimony of Christopher Shawn Rush, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>2</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$2,500 for each violation of the Act, resulting in a total fine of \$5,000.<sup>3</sup>

On November 16, 2021, the Division filed a motion requesting the hearing examiner accept a late-filed exhibit ("Second Motion") consisting of the United States Postal Service Certified Mail Receipt showing a copy of the Rule was mailed by certified mail, return receipt requested, on August 17, 2021, to the registered agent of the Defendant at the current address used by the registered agent. The Defendant filed no response to the Division's Second Motion.

On January 11, 2022, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that the Defendant violated Code § 56-265.17 A on two occasions by failing to contact the notification center prior to commencing an excavation.<sup>4</sup> The Hearing Examiner recommended that the Commission enter an order that holds the defendant in default; adopts the findings in the Report; penalizes the Defendant the sum of \$5,000 pursuant to § 56-265.32 of the Code, and enjoins the Defendant from future violations of the Act.<sup>5</sup> The Hearing Examiner also granted the Second Motion and admitted the late-filed exhibit as Exhibit 4 in the record.<sup>6</sup> The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.<sup>7</sup> No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.
- (3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars (\$5,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.
- (4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case Nos. URS-2019-00377 and URS-2020-00232 shall be referenced in any document transmitting payment of the penalty imposed herein.
- (5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.
- (6) The Defendant hereby is enjoined from any further violations of the Act.
- (7) This case hereby is dismissed.

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<sup>1</sup> Tr. at 21.

<sup>2</sup> *Id.* at 20-21; Ex. 1 (Proof of certified mailing to the Defendant's registered agent); Ex. 2 (Proof of receipt of certified mailing to the Defendant's last known address); and Ex. 3 (the prefiled testimony of Christopher Shawn Rush).

<sup>3</sup> Tr. at 21.

<sup>4</sup> Report at 2.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

**CASE NO. URS-2020-00291  
AUGUST 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
PERFECT GREEN LLC,  
Defendant

**FINAL ORDER**

On August 12, 2021, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Perfect Green LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about January 1, 2020, the Defendant damaged a one-half-inch plastic gas service line operated by Washington Gas Light Company, located at or near 2010 Burfoot Street, Fairfax County, Virginia, while excavating. The Rule alleged that the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A; and failed to take all reasonable steps necessary to properly protect, support and backfill the underground utility line, in violation of Code § 56-265.24 A.

During the November 3, 2021 hearing, the Division orally moved to dismiss this Rule ("Motion"). In support of its Motion, the Division stated that subsequent to the issuance of the Rule, the Division determined that an alternative enforcement method is appropriate in this case.<sup>1</sup>

On December 8, 2021, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found that the Division's Motion should be granted and that the comment period to the Report should be waived.<sup>2</sup> The Senior Hearing Examiner recommended that the Commission adopt his findings, dismiss the Rule without prejudice, and dismiss the case.<sup>3</sup>

NOW THE COMMISSION, upon consideration of the Rule, the Report, the record, and the applicable statutes, is of the opinion and finds that the findings and recommendations in the Report should be adopted, that the Division's Motion should be granted, and that this case should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

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<sup>1</sup> Tr. at 7.

<sup>2</sup> Report at 1.

<sup>3</sup> *Id.*

**CASE NO. URS-2020-00322  
JANUARY 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
D.A. FOSTER COMPANY,  
Defendant

**FINAL ORDER**

On August 16, 2021, the State Corporation Commission ("Commission") issued an Rule to Show Cause ("Rule") against D.A. Foster Company ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act ("Damage Prevention Rules").<sup>1</sup>

Specifically, the Rule alleged that on or about November 21, 2019, Defendant damaged a three-quarter-inch plastic gas service line operated by Washington Gas Light Company, located at or near 4818 9th Street South, Arlington County, Virginia, while excavating.

The Rule alleged that on this occasion, the Defendant failed to expose the underground utility lines to their extremities by hand digging, in violation of Code § 56-265.24 A; and the Defendant failed to maintain a reasonable clearance between the marked location of the underground utility lines and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before October 14, 2021. The Defendant failed to file a responsive pleading.

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<sup>1</sup> 20 VAC 5-309-10 *et seq.*

On November 3, 2021, the matter was heard by Michael D. Thomas, Senior Hearing Examiner. M. Aaron Campbell, Senior Counsel, and William H. Harrison IV, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.<sup>2</sup> Additionally, proof of service of the Rule on the Defendant; and the prefiled written testimony of Robert Deatley, a safety specialist for the Division, were marked as exhibits and admitted into the record.<sup>3</sup> Counsel for the Division recommended that the Defendant be fined in the amount of \$2,500 for each violation of the Act and Damage Prevention Rules, resulting in a total fine of \$5,000.<sup>4</sup>

On January 12, 2022, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that the Defendant violated Code § 56-265.24 A in one instance by failing to expose the underground utility lines to their extremities by hand digging; and the Defendant violated 20 VAC 5-309-140 (4) of the Damage Prevention Rules in one instance by failing to maintain a reasonable clearance between the marked location of the underground utility line and the cutting edge or point of any mechanized equipment.<sup>5</sup> The Hearing Examiner recommended that the Commission enter an order that holds the defendant in default; adopts the findings in the Report; penalizes the Defendant the sum of \$5,000 pursuant to § 56-265.32 of the Code, and enjoins the Defendant from future violations of the Act.<sup>6</sup> The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.<sup>7</sup> No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

- (1) The findings and recommendations of the Report hereby are adopted.
- (2) The Division's Motion hereby is granted.
- (3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars (\$5,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.
- (4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Lauren Govoni, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2020-00322 shall be referenced in any document transmitting payment of the penalty imposed herein.
- (5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.
- (6) The Defendant hereby is enjoined from any further violations of the Act.
- (7) This case hereby is dismissed

<sup>2</sup> Tr. at 33.

<sup>3</sup> *Id.* at 32-33; Ex. 1 (Proof of certified mailing to the Defendant's registered agent); Ex. 2 (Proof of receipt of certified mailing); Ex. 3 (The prefiled testimony of Robert Deatley).

<sup>4</sup> *Id.* at 33.

<sup>5</sup> Report at 2.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

**CASE NO. URS-2020-00365  
JANUARY 10, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

UNITED STATES INFRASTRUCTURE CORPORATION,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between July 15, 2020, and September 2, 2020, listed in Attachment A, involving United States Infrastructure Corporation ("Company"), the Defendant, and alleges that:

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(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on four occasion to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

In an apparent response to address all matters before the Commission arising from the Division's allegations herein, the Company submitted the amount of \$7,300 to the Commonwealth of Virginia.

NOW THE COMMISSION, having been advised by the Division, finds sufficient basis herein for the entry of this Order, and closing the case.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2020-00365.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the sum of Seven Thousand Three Hundred Dollars (\$7,300) tendered contemporaneously with the entry of this Order is accepted.

(3) This case hereby closed.

NOTE: A copy of the Attachment A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00078  
JUNE 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
UTILIQUEST, LLC,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between June 30, 2020, and December 9, 2020, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on nine occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on twelve occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

(c) Failing on one occasion to use all information necessary to mark facilities accurately, in violation of 20 VAC 5-309-110 M of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq.*

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$19,500 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2021-00078.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

- (3) The sum of Nineteen Thousand Five Hundred Dollars (\$19,500) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00131  
FEBRUARY 10, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
WASHINGTON GAS LIGHT COMPANY,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between October 22, 2020, and January 15, 2021, listed in the Attachment A, involving Washington Gas Light Company ("Company"), the Defendant, and alleges that:

- (1) During the aforementioned period, the Company violated the Code and/or Act by the following conduct:
  - (a) Failing on two occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
  - (b) Failing on five occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

- (1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of \$5,800 to be paid contemporaneously with the entry of this Order.
- (2) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the journal entries made to record such amounts with the Commission's Division of Utility Accounting and Finance.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby is accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00131.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Five Thousand Eight Hundred Dollars (\$5,800) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.



**CASE NO. URS-2021-00133  
FEBRUARY 11, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
STAKE CENTER LOCATING, INC.,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* ("Act"). The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between September 1, 2020, and February 26, 2021, listed in Attachment A, involving Stake Center Locating, Inc. ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

- (a) Failing on two occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
- (b) Failing on four occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.
- (c) Failing on one occasion to report the status to the excavator-operator information exchange system, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$7,350 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00133.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Seven Thousand Three Hundred Fifty Dollars (\$7,350) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00185  
FEBRUARY 7, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
UTILIQUEST, LLC,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* ("Act"). The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between September 16, 2020, and March 15, 2021, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(2) During the aforementioned period, the Company violated the Act by the following conduct:

- (a) Failing on eight occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
- (b) Failing on seven occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$12,500 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00185.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Twelve Thousand Five Hundred Dollars (\$12,500) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00243  
MARCH 14, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
WASHINGTON GAS LIGHT COMPANY,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between November 8, 2020, and March 6, 2021, listed in the Attachment A, involving Washington Gas Light Company ("Company"), the Defendant, and alleges that during the aforementioned period, the Company violated the Code and/or Act by the following conduct:

- (a) Failing on six occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
- (b) Failing on four occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

- (1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of \$7,250 to be paid contemporaneously with the entry of this Order.
- (2) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the journal entries made to record such amounts with the Commission's Division of Utility Accounting and Finance.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby is accepts this settlement.

Accordingly, IT IS ORDERED THAT:

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00243.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Seven Thousand Two Hundred Fifty Dollars (\$7,250) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00246**  
**FEBRUARY 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
 STATE CORPORATION COMMISSION  
 v.  
 UTILIQUEST, LLC,  
 Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between November 23, 2020, and July 13, 2021, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

- (1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.
- (2) During the aforementioned period, the Company violated the Act by the following conduct:
  - (a) Failing on eleven occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
  - (b) Failing on thirty occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.
  - (c) Failing on nine occasions to accurately report the marking status of the underground utility line to the excavator-operator information exchange system by no later than 7 a.m. on the third working day following the excavator's notice to the notification center, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$48,350 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00246.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Forty-eight Thousand Three Hundred Fifty Dollars (\$48,350) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00273  
APRIL 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

STAKE CENTER LOCATING, INC.,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between February 22, 2021, and April 22, 2021, listed in Attachment A, involving Stake Center Locating, Inc. ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

- (a) Failing on two occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
- (b) Failing on eight occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$10,800 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00273.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Ten Thousand Eight Hundred Dollars (\$10,800) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00274  
FEBRUARY 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

MOSELEY EXCAVATING SERVICE INCORPORATED,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about January 14, 2021, Moseley Excavating Service Incorporated ("Company"), damaged a two-inch plastic gas main operated by Columbia Gas of Virginia, Inc., located at or near 16519 Crossfell Drive, Chesterfield County, Virginia, while excavating.

(2) On or about January 28, 2021, the Company damaged a two-inch plastic gas main operated by Columbia Gas of Virginia, Inc., located at or near 13506 Mason Orchard Place, Chesterfield County, Virginia, while excavating.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(3) On or about February 5, 2021, the Company damaged a one-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 8507 Centerline Drive, Chesterfield County, Virginia, while excavating.

(4) On the occasions set out in paragraphs (2) and (3) above, the Company failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A.

(5) On the occasions set out in paragraphs (1) and (2) above, the Company failed, in three instances, to expose the underground utility lines to their extremities by hand digging, in violation of Code § 56-265.24 A.

(6) On the occasions set out in paragraphs (1) and (2) above, the Company failed, in three instances, to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq.*

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$6,800 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00274.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Six Thousand Eight Hundred Dollars (\$6,800) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00288**  
**APRIL 15, 2022**

STATE CORPORATION COMMISSION

v.

VIRGINIA NATURAL GAS, INC.,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for intrastate hazardous liquid pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Virginia Natural Gas, Inc., ("Company" or "VNG"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:
  - (a) 49 C.F.R. § 192.303 Failure of the Company to construct a main in accordance with comprehensive written specifications or standards.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of Forty-Six Thousand Dollars (\$46,000), of which Sixteen Thousand Dollars (\$16,000) shall be paid contemporaneously with the entry of this Order. The remaining Thirty Thousand Dollars (\$30,000) shall be due as outlined in Undertaking Paragraph (5) herein and may be suspended and subsequently vacated, in whole or in part, by the Commission, provided the Company timely takes the actions required by Undertaking Paragraphs (2) and (3) herein and tenders the requisite certifications as required by Undertaking Paragraph (4).

(2) The Company shall undertake the following remedial actions:

(a) The Company shall prepare and follow written standard operating procedures to ensure safety of Company and contractor personnel, individualized for each in-line inspection performed by the Company or its contractors. These procedures should consider the types of in-line inspection tools utilized by the Company as well as pipe size and material, and adjacent facilities.

(b) Expand the scope of the Company's procedures for visual inspection of pipe to allow for in-line inspection as an option for inspection for construction acceptance.

(c) Attach to the affidavit referenced below, documentation in the form of invoices or other financial records, of investment of Five Thousand (\$5,000) into specialized in-line inspection training that exceeds what is otherwise required by 49 CFR 192.750 and Subpart N of 49 CFR Part 192.

(3) From the date of the entry of this Order, until the time the Company is formally able to update its Operations Procedures Manual pursuant to paragraphs (a) and (b) above, the Company shall prepare and follow individualized procedures for each in-line inspection performed by the Company or its contractors. The Company will make these procedures available to Division Staff upon request.

(4) On or before January 31, 2023, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit detailing its compliance with Undertaking Paragraphs (2) and (3) executed by the President of the Company, certifying that the Company completed the remedial actions set forth herein. Such affidavit should reference Case No. URS-2021-00288.

(5) Upon timely receipt of said affidavit, the Commission may vacate up to Thirty Thousand Dollars (\$30,000) of the amount set forth in Undertaking Paragraph (1). Should the Company fail to tender the affidavit required by Undertaking Paragraph (4), or fail to take the actions required by Undertaking Paragraphs (2) and (3), payment of Thirty Thousand Dollars (\$30,000) shall become due and payable, and the Company shall immediately notify the Division of the reasons for the Company's failure to accomplish the actions required by Undertaking Paragraphs (2) and (3). If, upon investigation, the Division and the Office of General Counsel determine that the reason for said failure justifies a payment lower than Thirty Thousand Dollars (\$30,000), a reduction in the amount due may be recommended to the Commission. The Commission shall determine the amount due and, upon such determination, the Company shall immediately tender to the Commission said amount.

(6) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein, nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(7) Although the civil penalty in this Order is assessed to VNG, the probable violations can be attributed to VNG and its contractors. However, VNG is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(8) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2021-00288.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by VNG is hereby accepted.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Forty-Six Thousand Dollars (\$46,000).

(4) The sum of Sixteen Thousand Dollars (\$16,000) tendered contemporaneously with the entry of this Order is accepted. The remaining Thirty Thousand (\$30,000) shall be due as outlined herein and may be suspended and subsequently vacated, in whole or in part, provided the Company has timely undertaken the action required in Undertaking Paragraphs (2) and (3) of this Order and has timely filed certification of the remedial action as required by Undertaking Paragraph (4).

(5) Undertaking paragraphs (5), (6), (7) and (8) are hereby incorporated by reference.

(6) This case is hereby continued pending further order by the Commission.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00288  
AUGUST 18, 2022**

STATE CORPORATION COMMISSION  
v.  
VIRGINIA NATURAL GAS, INC.  
Defendant

**ORDER NUNC PRO TUNC**

On April 15, 2022, the State Corporation Commission ("Commission") entered an Order of Settlement in the above-referenced docket. It has come to the Commission's attention that a scribal error was made in Undertaking Paragraph (2) (b) of the Order of Settlement.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this scribal error should be corrected, *nunc pro tunc*, and that Undertaking Paragraph (2) (b) should read as follows:

(b) Expand the scope of the Company's procedures for inspection of pipe to allow for in-line inspection as an option for inspection for construction acceptance.

Accordingly, IT IS SO ORDERED, all other provisions of the Order of Settlement remain in full force and effect, and this case is continued pending further Order of the Commission.

**CASE NO. URS-2021-00289  
APRIL 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
WASHINGTON GAS LIGHT COMPANY,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Washington Gas Light Company ("Company" or "WGL"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:
  - (a) 49 C.F.R. § 192.605 (a) - Failure of the Company on 34 occasions to follow its Engineering and Operating Standards, Section 4084, by not taking a pipe-to-soil reading when wrapped steel pipe is exposed.
  - (b) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Engineering and Operating Standards, Section 4078, on seven occasions, by not taking prompt remedial actions to correct deficiencies indicated by cathodic protection monitoring.
  - (c) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Engineering and Operating Standards, Section 4081, by not abandoning a service line at the main.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

- (1) The Company shall be assessed a civil penalty in the amount of \$26,000, which shall be paid contemporaneously with the entry of this Order.
- (2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.
- (3) Although the civil penalty in this Order is assessed to WGL, the probable violations can be attributed to WGL and its contractors. However, WGL is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.
- (4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2021-00289.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by WGL is hereby accepted.
- (3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Twenty-Six Thousand Dollars (\$26,000), which shall be paid contemporaneously with the entry of this Order.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities in Virginia. See *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for hazardous liquid pipeline facilities in Virginia. See *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.



- (4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.
- (5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00312**  
**APRIL 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
STAKE CENTER LOCATING, INC.,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between May 13, 2021, and June 29, 2021, listed in Attachment A, involving Stake Center Locating, Inc. ("Company"), the Defendant, and alleges that:

- (1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.
- (2) During the aforementioned period, the Company violated the Act by the following conduct:
- (a) Failing on three occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
  - (b) Failing on three occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.
  - (c) Failing on one occasion to provide markings at sufficient intervals to clearly indicate the approximate horizontal location and direction of the underground utility line, in violation of 20 VAC 5-309-110 B of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq.*

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$7,200 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00312.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Seven Thousand Two Hundred Dollars (\$7,200) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00316  
MARCH 3, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

ATMOS ENERGY CORPORATION,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between May 5, 2021, and June 30, 2021, listed in Attachment A, involving Atmos Energy Corporation ("Company"), the Defendant, and alleges that:

- (1) During the aforementioned period, the Company violated the Act by the following conduct:
  - (a) Failing on one occasion to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
  - (b) Failing on four occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

- (1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of \$6,700 to be paid contemporaneously with the entry of this Order.
- (2) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the journal entries made to record such amounts with the Commission's Division of Utility Accounting and Finance.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00316.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Six Thousand Seven Hundred Dollars (\$6,700) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Attachment A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00346  
MARCH 14, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

UTILIQUEST, LLC,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between March 19, 2021, and July 28, 2021, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

- (a) Failing on eighteen occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
- (b) Failing on twenty-four occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.
- (c) Failing on one occasion to directly notify the person who proposed to excavate or demolish that the location was unable to be marked within the time allowed and failing to notify the person of the date and time when the location would be marked, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$41,350 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00346.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Forty-One Thousand Three Hundred Fifty Dollars (\$41,350) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00367**  
**APRIL 1, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
VIRGINIA UTILITY PROTECTION SERVICES, INC.,  
Defendant

**ORDER OF SETTLEMENT**

The State Corporation Commission ("Commission") is charged with enforcing the provisions of § 56-257 of the Code of Virginia ("Code"). The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

- (1) On or about June 2, 2021, Virginia Utility Protection Services, Inc., ("Company") failed on 131 occasions, to provide emergency service, as needed, 365 days a year, 24 hours per day, and provide regular service Monday through Friday, 7 a.m. through 5 p.m.
- (2) On the occasions set out in paragraph (1), the Company failed to maintain such equipment and personnel necessary to ensure a minimum level of performance as detailed in 20VAC5-300-90 and as approved by the Commission.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it shall comply with and adhere to the requirements outlined in the Performance Plan, as detailed in Attachment A, attached hereto and made a part hereof.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- (1) The captioned case is docketed and assigned Case No. URS-2021-00367.
- (2) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code, the offer of settlement made by the Company is hereby accepted.
- (3) The Division shall review compliance with this Order once per calendar year beginning one year after the date of entry of this Order.
- (4) This case is hereby continued.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00436  
AUGUST 17, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
STAKE CENTER LOCATING, INC.,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), Code § 56-265.14 et seq. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between June 22, 2021, and July 29, 2021, listed in Attachment A, involving Stake Center Locating, Inc. ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by failing on five occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$5,950 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00436.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Five Thousand Nine Hundred Fifty Dollars (\$5,950) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2021-00438  
JUNE 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
UTILIQUEST, LLC,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between April 5, 2021, and August 25, 2021, listed in Attachment A, and alleges the following concerning Utiliquest, LLC ("Company"):

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

- (a) Failing on seven occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
- (b) Failing on twenty occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$25,850 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2021-00438.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Twenty-five Thousand Eight Hundred Fifty Dollars (\$25,850) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00001  
APRIL 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
VIRGINIA NATURAL GAS, INC.,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Virginia Natural Gas, Inc., ("Company" or "VNG"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:
  - (a) 49 C.F.R. § 192.605 (a) Failure of the Company to follow Operations and Procedure Manual, Joining Procedures for Plastic Pipe, Division 4, Section 6, Procedure 6.3.2, by not verifying the heat and hold time during the fusion process.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

- (1) The Company shall be assessed a civil penalty in the amount of \$10,000, which shall be paid contemporaneously with the entry of this Order.
- (2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.
- (3) Although the civil penalty in this Order is assessed to VNG, the probable violations can be attributed to VNG and its contractors. However, VNG is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.
- (4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2022-00001.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by VNG is hereby accepted.
- (3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Ten Thousand Dollars (\$10,000), which shall be paid contemporaneously with the entry of this Order.
- (4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.
- (5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities in Virginia. See *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for hazardous liquid pipeline facilities in Virginia. See *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995). The Commission is authorized to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555, which allows the Commission to impose the fines and penalties authorized therein.

**CASE NO. URS-2022-00002  
JUNE 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

COLUMBIA GAS OF VIRGINIA, INC.,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Columbia Gas of Virginia, Inc., ("Company" or "CVA"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of Code § 56-257.2.

(2) The Company violated the Commission's Safety Standards, specifically 49 C.F.R. § 192.273 (b), by failing to make a joint in accordance with its Gas Standard 1304.010, Electrofusion Joining, by not marking the area to be scraped prior to scraping.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of \$6,000, which shall be paid contemporaneously with the entry of this Order.

(2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(3) Although the civil penalty in this Order is assessed to CVA, the probable violations can be attributed to CVA and its contractors. However, CVA is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2022-00002.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by CVA is hereby accepted.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline safety facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for hazardous liquid pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995).

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Six Thousand Dollars (\$6,000), which shall be paid contemporaneously with the entry of this Order.

(4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.

(5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00006  
APRIL 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
AVELLAN MASONRY LLC,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about July 8, 2021, Avellan Masonry LLC ("Company"), damaged a one-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 9112 Grant Avenue, Manassas, Virginia, while excavating.

(2) On the occasion set out in paragraph (1) above, the Company failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A.

(3) On the occasion set out in paragraph (1) above, the Company failed to immediately notify the operator of the damage, in violation of Code § 56-265.24 D.

(4) On the occasion set out in paragraph (1) above, the Company failed to take immediate steps reasonably calculated to safeguard life, health and property, in violation of § 56-265.24 E.

(5) On the occasion set out in paragraph (1) above, the Company failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of 20 VAC 5-309-200 of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq.*

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company has offered, and agreed to comply with, the following terms and undertakings:

(1) That it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$5,650 to be paid contemporaneously with the entry of this Order.

(2) The Company will undertake a training session for its employees on the subject of underground utility damage prevention conducted by the Division and submit documentation evidencing the training session to the Commission contemporaneously with the entry of this Order.

The Company has now complied fully with the terms and undertakings of the settlement as outlined herein. Documentation evidencing the training session on the subject of underground utility damage prevention has been submitted on a timely basis in accordance with the undertakings set forth above.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for acceptance of the Company's offer of settlement and evidence of training, hereby accepts this offer of settlement and evidence of training.



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2022-00006.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Five Thousand Six Hundred Fifty Dollars (\$5,650) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00050**  
**JUNE 15, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
UTILIQUEST, LLC,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between March 30, 2021, and October 1, 2021, listed in Attachment A, and alleges the following concerning Utiliquest, LLC ("Company"):

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on six occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on nine occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$14,500 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2022-00050.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Fourteen Thousand Five Hundred Dollars (\$14,500) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00051  
APRIL 12, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

BRIDGEMAN CIVIL, INC.,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about July 9, 2021, Bridgeman Civil, Inc. ("Company"), damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 439 Maryland Avenue, Norfolk, Virginia, while excavating.

(2) On the occasion set out in paragraph (1) above, the Company failed to notify the notification center after markings locating the underground utility lines became illegible, in violation of Code § 56-265.24 B.

(3) On or about August 25, 2021, the Company damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 423 Maryland Avenue, Norfolk, Virginia, while excavating.

(4) On the occasion set out in paragraph (3) above, the Company failed to expose the underground utility line to its extremities by hand digging, in violation of Code § 56-265.24 A.

(5) On the occasion set out in paragraph (3) above, the Company failed maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq.* ("Rules").

(6) On or about September 30, 2021, the Company damaged a six-inch plastic gas main operated by Columbia Gas of Virginia, Inc., located at or near Harper Avenue, Portsmouth, Virginia, while excavating.

(7) On the occasion set out in paragraph (6) above, the Company failed to take all reasonable steps necessary to properly protect, support and backfill the underground utility line, in violation of Code § 56-265.24 A.

(8) On the occasion set out in paragraph (6) above, the Company failed to immediately notify the operator of the damage, in violation of Code § 56-265.24 D.

(9) On the occasion set out in paragraph (6) above, the Company utilized mechanized equipment within two feet of the extremities of all exposed utility lines, in violation of Rule 20 VAC 5-309-140 (3).

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$13,600 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2022-00051.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Thirteen Thousand Six Hundred Dollars (\$13,600) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00053  
MAY 25, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
COLUMBIA GAS OF VIRGINIA, INC.,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Columbia Gas of Virginia, Inc. ("Company" or "CVA"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:

49 C.F.R. § 192.805 (b) - Failure of the Company on 8,794 occasions to follow its Operator Qualification Plan, section 6.2.2, by not ensuring through evaluation that personnel are qualified to perform a covered task after the initial qualification.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of Fifty-six Thousand Dollars (\$56,000), of which Six Thousand Dollars (\$6,000) shall be paid contemporaneously with the entry of this Order. The remaining Fifty Thousand Dollars (\$50,000) will be suspended and either shall be due as outlined in Undertaking Paragraph (3) herein or may be subsequently vacated, in whole or in part, by the Commission, provided the Company timely takes the actions required by Undertaking Paragraph (2).

- (2) The Company shall undertake the following remedial action:

The Company shall provide Division Staff with written status updates on the Company's efforts to transition to Company employees performing its underground utility locating function. These status updates shall begin October 1, 2022, and continue on a quarterly basis through July 1, 2024, or until such time as the Company has completed its transition.

(3) The Commission may vacate up to Fifty Thousand Dollars (\$50,000) of the amount set forth in Undertaking Paragraph (1). Should the Company failed to take the action required by Undertaking Paragraph (2), payment of Fifty Thousand Dollars (\$50,000) shall become due and payable, and the Company shall immediately notify the Division of the reasons for the Company's failure to accomplish the action required by Undertaking Paragraph (2). If, upon investigation, the Division and the Office of General Counsel determine that the reason for said failure justifies a payment lower than Fifty Thousand Dollars (\$50,000), a reduction in the amount due may be recommended to the Commission. The Commission shall determine the amount due and, upon such determination, the Company shall immediately tender to the Commission said amount.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the Safety Standards for minimum intrastate hazardous liquid pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(4) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(5) Although the civil penalty in this Order is assessed to CVA, the probable violations can be attributed to CVA and its contractors. However, CVA is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(6) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2022-00053.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by CVA is hereby accepted.

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Fifty-six Thousand Dollars (\$56,000), Six Thousand Dollars (\$6,000) of which shall be paid contemporaneously with the entry of this Order. The remaining Fifty Thousand Dollars (\$50,000) is suspended and either shall be due as outlined herein or may be subsequently vacated, in whole or in part, after a filing by the Division stating that the Company has timely undertaken the action required in Undertaking Paragraph (2) of this Order.

(4) Undertaking Paragraphs (3), (4), (5) and (6) are hereby incorporated by reference.

(5) This case is continued.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00054  
JULY 13, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

WASHINGTON GAS LIGHT COMPANY,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for hazardous liquid pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Washington Gas Light Company ("Company" or "WGL"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:
  - (a) C.F.R. § 192.605 (a) - Failure of the Company to follow its Engineering and Operating Standards, Section 3233, by squeezing off a plastic pipe less than 12 inches from a joint.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

- (1) The Company shall be assessed a civil penalty in the amount of \$14,000, which shall be paid contemporaneously with the entry of this Order.
- (2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.
- (3) Although the civil penalty in this Order is assessed to WGL, the probable violations can be attributed to WGL and its contractors. However, WGL is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.
- (4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2022-00054.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by WGL is hereby accepted.
- (3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Fourteen Thousand Dollars (\$14,000), which shall be paid contemporaneously with the entry of this Order.
- (4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.
- (5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00076  
AUGUST 12, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
STAKE CENTER LOCATING, INC.,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act ("Act"), Code § 56-265.14 *et seq.* The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between September 3, 2021, and October 29, 2021, listed in Attachment A, involving Stake Center Locating, Inc. ("Company"), the Defendant, and alleges that:

- (1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- (2) During the aforementioned period, the Company violated the Act by the following conduct:
- (a) Failing on two occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
  - (b) Failing on six occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$6,850 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2022-00076.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Six Thousand Eight Hundred Fifty Dollars (\$6,850) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00115  
OCTOBER 5, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
UTILIQUEST, LLC,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* ("Act"). The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between July 26, 2021, and January 4, 2022, listed in Attachment A hereto, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

- (1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.
- (2) During the aforementioned period, the Company violated the Act by the following conduct:
  - (a) failing on nine occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A; and
  - (b) failing on eleven occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$18,200 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2022-00115.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

- (3) The sum of Eighteen Thousand Two Hundred Dollars (\$18,200) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00116  
SEPTEMBER 6, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
COLUMBIA GAS OF VIRGINIA, INC.,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Columbia Gas of Virginia, Inc. ("Company" or "CVA"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:

49 C.F.R. § 192.465 (a). The Company failed on one occasion to monitor cathodic protection at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

- (1) The Company shall be assessed a civil penalty in the amount of \$28,000, which shall be paid contemporaneously with the entry of this Order.
- (2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.
- (3) Although the civil penalty in this Order is assessed to CVA, the probable violation can be attributed to CVA and its contractors. However, CVA is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for hazardous liquid pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995).

(4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2022-00116.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by CVA is hereby accepted.
- (3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Twenty-eight Thousand Dollars (\$28,000), which shall be paid contemporaneously with the entry of this Order.
- (4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.
- (5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00117  
AUGUST 24, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
WASHINGTON GAS LIGHT COMPANY,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Washington Gas Light Company ("Company" or "WGL"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:

49 C.F.R. § 192.605 (a) – Failure of the Company to follow its Engineering and Operating Standards, Section 4101, by not marking the approximate horizontal location of a buried pipeline.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipelines facilities in Virginia. See *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for hazardous liquid pipeline facilities in Virginia. See *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995).



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

- (1) The Company shall be assessed a civil penalty in the amount of \$10,000, which shall be paid contemporaneously with the entry of this Order.
- (2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.
- (3) Although the civil penalty in this Order is assessed to WGL, the probable violations can be attributed to WGL and its contractors. However, WGL is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.
- (4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2022-00117.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by WGL is hereby accepted.
- (3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Ten Thousand Dollars (\$10,000), which shall be paid contemporaneously with the entry of this Order.
- (4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.
- (5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00120  
AUGUST 25, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.  
EASTERN GAS TRANSMISSION AND STORAGE, INC.,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Eastern Gas Transmission and Storage, Inc. ("Company" or "EGTS"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:
  - 49 C.F.R. § 199.105 (c) (1) – Failure of the Company to ensure that its contractor met the minimum percentage rate for random drug testing of 50 percent of covered employees.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

- (1) The Company shall be assessed a civil penalty in the amount of \$14,000, which shall be paid contemporaneously with the entry of this Order.
- (2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.
- (3) Although the civil penalty in this Order is assessed to EGTS, the probable violations can be attributed to EGTS and its contractors. However, EGTS is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.
- (4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2022-00120.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by EGTS is hereby accepted.
- (3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Fourteen Thousand Dollars (\$14,000), which shall be paid contemporaneously with the entry of this Order.
- (4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.
- (5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities in Virginia. See *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for hazardous liquid pipeline facilities in Virginia. See *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995).

**CASE NO. URS-2022-00122  
AUGUST 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
WASHINGTON GAS LIGHT COMPANY,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Washington Gas Light Company ("Company" or "WGL"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:

49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Engineering and Operating Standards, Section 4101, by not marking the approximate horizontal location of a pipeline facility.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

- (1) The Company shall be assessed a civil penalty in the amount of \$10,000, which shall be paid contemporaneously with the entry of this Order.
- (2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.
- (3) Although the civil penalty in this Order is assessed to WGL, the probable violations can be attributed to WGL and its contractors. However, WGL is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.
- (4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2022-00122.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for hazardous liquid pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995).

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by WGL is hereby accepted.

(3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Ten Thousand Dollars (\$10,000), which shall be paid contemporaneously with the entry of this Order.

(4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.

(5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00123  
AUGUST 22, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

WASHINGTON GAS LIGHT COMPANY,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Washington Gas Light Company ("Company" or "WGL"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:

49 C.F.R. § 192.605 (a) – Failure of the Company to follow its Engineering and Operating Standards, Section 4101, by not marking the approximate horizontal location of a buried pipeline.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of \$10,000, which shall be paid contemporaneously with the entry of this Order.

(2) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities in Virginia. See *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for hazardous liquid pipeline facilities in Virginia. See *Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(3) Although the civil penalty in this Order is assessed to WGL, the probable violations can be attributed to WGL and its contractors. However, WGL is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(4) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2022-00123.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by WGL is hereby accepted.
- (3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Ten Thousand Dollars (\$10,000), which shall be paid contemporaneously with the entry of this Order.
- (4) Undertaking paragraphs (2), (3), and (4) are hereby incorporated by reference.
- (5) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00124  
AUGUST 25, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
ROANOKE GAS COMPANY,  
Defendant

**ORDER OF SETTLEMENT**

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq.*, formerly the Natural Gas Pipeline Safety Act, require the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate to an appropriate state agency the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

The State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards ("Safety Standards") for gas pipeline facilities used for intrastate transportation<sup>1</sup> and for hazardous liquid pipeline facilities used for intrastate transportation.<sup>2</sup> The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code") and to enforce the Safety Standards for hazardous liquid pipeline facilities under Code § 56-555. These statutes allow the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Roanoke Gas Company ("Company" or "RGC"), the Defendant, and alleges that:

- (1) The Company is a person within the meaning of Code § 56-257.2.
- (2) The Company violated the Commission's Safety Standards by the following conduct:

<sup>1</sup> The Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for gas pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program*, Case No. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

<sup>2</sup> The Commission adopted Parts 195 and 199 of Title 49 of the Code of Federal Regulations to serve as the minimum Safety Standards for hazardous liquid pipeline facilities in Virginia. *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: In the matter of adopting rules to govern the safety of intrastate hazardous liquid pipelines pursuant to the Virginia Hazardous Liquid Pipeline Safety Act*, Case No. PUE-1994-00070, 1995 S.C.C. Ann. Rep. 327, Order Adopting Rules Governing the Safety of Hazardous Liquid Pipelines (Jan. 9, 1995).

## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

- (a) C.F.R § 193.2605 (b) – Failure of the Company on four occasions to follow its manual of written procedures for maintenance of LNG components, Section 4.6, by not inspecting the LNG Plant for atmospheric corrosion.
- (b) C.F.R § 193.2713 (a) – Failure of the Company on two occasions to implement a written plan of initial training.
- (c) C.F.R §193.2717 (b) - Failure of the Company on two occasions to provide fire protection training in accordance with a written plan of continuing instruction at intervals of not more than two years.

The Company neither admits nor denies the allegations listed herein but admits to the Commission's jurisdiction and authority to enter this Order of Settlement ("Order").

As an offer to settle all matters arising from the allegations made against it herein, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of Thirty-six Thousand Dollars (\$36,000), of which Twenty-six Thousand Dollars (\$26,000) shall be paid contemporaneously with the entry of this Order. The remaining Ten Thousand Dollars (\$10,000) shall be due as outlined in Undertaking Paragraph (4) herein and may be suspended and subsequently vacated, in whole or in part, by the Commission, provided the Company timely takes the action required by Undertaking Paragraph (2) herein and tenders the requisite certification as required by Undertaking Paragraph (3).

(2) With entry of this order, the Company shall undertake the following remedial action: By October 1, 2022, the Company shall implement a formal written initial training program that meets the requirements of 49 C.F.R. § 193.2713.

(3) On or before October 1, 2022, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit detailing its compliance with Undertaking Paragraph (2) executed by the President of the Company, certifying that the Company completed the remedial action set forth herein. Such affidavit should reference Case No. URS-2022-00124.

(4) Upon timely receipt of said affidavit, the Commission may vacate up to Ten Thousand Dollars (\$10,000) of the amount set forth in Undertaking Paragraph (1). Should the Company fail to tender the affidavit required by Undertaking Paragraph (3), or fail to take the action required by Undertaking Paragraph (2), payment of Ten Thousand Dollars (\$10,000) shall become due and payable, and the Company shall immediately notify the Division of the reasons for the Company's failure to accomplish the actions required by Undertaking Paragraphs (2) and (3). If, upon investigation, the Division and the Office of General Counsel determine that the reason for said failure justifies a payment lower than Ten Thousand Dollars (\$10,000), a reduction in the amount due may be recommended to the Commission. The Commission shall determine the amount due and, upon such determination, the Company shall immediately tender to the Commission said amount.

(5) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(6) Although the civil penalty in this Order is assessed to RGC, the probable violations can be attributed to RGC and its contractors. However, RGC is ultimately responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(7) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Utility Accounting and Finance within 90 days of such booking.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Order and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case is hereby docketed and assigned Case No. URS-2022-00124.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by RGC is hereby accepted.
- (3) Pursuant to Code § 56-257.2 B, the Company is hereby assessed a civil penalty in the amount of Thirty-six Thousand Dollars (\$36,000).
- (4) The sum of Twenty-six Thousand Dollars (\$26,000) tendered contemporaneously with the entry of this Order is accepted. The remaining Ten Thousand Dollars (\$10,000) shall be due as outlined herein and may be suspended and subsequently vacated, in whole or in part, provided the Company timely undertakes the action required in Undertaking Paragraph (2) of this Order, and files the timely certification of the remedial action required by Undertaking Paragraph (3) of this Order.
- (5) Undertaking paragraphs (4), (5), (6), and (7) are hereby incorporated by reference.
- (6) This case is continued pending further order of the Commission.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00144  
OCTOBER 11, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
UTILIQUEST, LLC,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* ("Act"). The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between October 7, 2021, and April 1, 2022, listed in Attachment A hereto, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

- (a) failing on seventeen occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A;
- (b) failing on twenty-five occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A;
- (c) failing on one occasion to report the marking status to the excavator-operator information exchange system, in violation of Code § 56-265.19 A; and
- (d) failing on one occasion to provide markings suitable for their intended purpose for a period of 15 working days, in violation of 20 VAC 5-309-110 (A) of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq.*

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$41,800 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2022-00144.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Forty-One Thousand Eight Hundred Dollars (\$41,800) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00170  
SEPTEMBER 28, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

STAKE CENTER LOCATING, INC.,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* ("Act"). The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between October 25, 2021 and February 15, 2022, listed in Attachment A hereto, involving Stake Center Locating, Inc. ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

- (a) Failing on two occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A;
- (b) Failing on four occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A; and,
- (c) Failing on one occasion to report the marking status to the excavator-operator information exchange system, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$6,650 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2022-00170.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Six Thousand Six Hundred Fifty Dollars (\$6,650) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00190  
OCTOBER 11, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION

v.

UDP, INC.,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* ("Act"). The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between May 18, 2022, and May 19, 2022, listed in Attachment A hereto, involving UDP, Inc. ("Company"), the Defendant, and alleges that:



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on seven occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$8,400 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2022-00190.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Eight Thousand Four Hundred Dollars (\$8,400) tendered contemporaneously with the entry of this Order is accepted.
- (4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

**CASE NO. URS-2022-00266  
NOVEMBER 18, 2022**

COMMONWEALTH OF VIRGINIA, *ex rel.*  
STATE CORPORATION COMMISSION  
v.  
UDP, INC.,  
Defendant

**ORDER OF SETTLEMENT**

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq.* ("Act"). The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between July 6, 2022, and July 27, 2022, listed in Attachment A hereto, involving UDP, Inc. ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by failing on twelve occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of \$18,000 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

- (1) The captioned case hereby is docketed and assigned Case No. URS-2022-00266.
- (2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.
- (3) The sum of Eighteen Thousand Dollars (\$18,000) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

# COMMONWEALTH OF VIRGINIA



JUDITH WILLIAMS JAGDMANN  
COMMISSIONER

JEHMAL T. HUDSON  
COMMISSIONER

BERNARD LOGAN  
CLERK OF THE COMMISSION  
P.O. BOX 1197  
RICHMOND, VIRGINIA 23218-1197

## STATE CORPORATION COMMISSION

September 1, 2022

The Honorable Glenn A. Youngkin  
Governor, Commonwealth of Virginia

The Honorable Richard L. Saslaw  
Chairman, Senate Committee on Commerce and Labor

The Honorable Kathy J. Byron  
Chairman, House Committee on Commerce and Energy

Members of the Commission on Electric Utility Regulation

Ladies and Gentlemen:

Please find enclosed the Virginia State Corporation Commission's Status Report on the Implementation of the Virginia Electric Utility Regulation Act pursuant to § 56-596 B of the Code of Virginia.

Please let us know if we may be of further assistance.

Respectfully submitted,

Jehmal T. Hudson  
Chairman

Judith Williams Jagdmann  
Commissioner

**Report to the Governor of the Commonwealth of Virginia,  
the Chairman of the Senate Committee on Commerce and Labor,  
the Chairman of the House Committee on Commerce and Energy,  
and the Commission on Electric Utility Regulation  
of the Virginia General Assembly**



**Status Report: Implementation of the  
Virginia Electric Utility Regulation Act  
Pursuant to § 56-596 B of the Code of Virginia**

**September 1, 2022**

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Appendix 1: Glossary of Terms

This document contains the report of the Virginia State Corporation Commission ("Commission") pursuant to § 56-596 B of the Code of Virginia ("Code"), which directs the Commission to provide an update by September 1 of each year on the status of the implementation of the Virginia Electric Utility Regulation Act, Code §§ 56-576 through 56-596.3 ("Regulation Act"). The Regulation Act has expanded in recent years with new programs and requirements that fall within the Commission's purview. This report summarizes the Commission's efforts to implement the Regulation Act for incumbent electric utilities<sup>1</sup> as well as the electric cooperatives.

Key highlights from the report include:

A. Current Status of the Regulation Act

- Over the past several years, the Regulation Act has been amended to require new or expanded programs and rulemakings that apply to the Commonwealth's incumbent electric utilities and electric cooperatives. These programs include ones that implement the requirements of the Virginia Clean Economy Act ("VCEA").<sup>2</sup> The VCEA includes provisions establishing mandatory Renewable Energy Portfolio Standard ("RPS") and Energy Efficiency Resource Standard. The relevant Commission dockets that implement or update these programs, as well as the dockets that continue to provide oversight of the utility's existing operations, are summarized in Section IV, below.
- On November 18, 2021, the Commission issued its Final Order concerning its triennial review of Dominion Energy Virginia's ("DEV") rates, terms, and conditions for the provision of generation, distribution, and transmission services.<sup>3</sup>

<sup>1</sup> Code § 56-580 G generally suspends application of the Regulation Act to Kentucky Utilities, d/b/a Old Dominion Power Company ("KU/ODP"), which is an investor-owned incumbent electric utility whose service territory is located entirely within Dickenson, Lee, Russell, Scott, and Wise Counties. However, certain provisions of the Regulation Act, including Code §§ 56-585.5 and 56-594, have been made applicable, at least in part, to KU/ODP.

<sup>2</sup> 2020 Va. Acts chs. 1193, 1194.

<sup>3</sup> *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms, and conditions for the provision of generation, distribution, and transmission services pursuant to § 56-585.1 A*

- On January 7, 2022, the Commission issued a Final Order concerning its review of DEV's petition for approval of Phase II of its Grid Transformation ("GT") Plan.<sup>4</sup> The approved GT Plan investments focus on grid reliability and are designed to accommodate or facilitate the expected increase in distributed energy resources. Approved Phase II investments include (i) advanced metering infrastructure; (ii) the customer information platform; (iii) grid infrastructure, which comprises targeted corridor improvement and voltage island mitigation; (iv) grid technologies; (v) telecommunications; (vi) cyber security; (vii) physical security; and (viii) customer education. The projected capital and operations expenses for Phase II are projected to be approximately \$776 million. The Commission's approval of these projects was made subject to certain contingencies, cost caps, and reporting requirements.
- On March 15, 2022, the Commission issued a Final Order concerning its review of DEV's 2021 RPS Filing which included (i) DEV's RPS Development Plan (encompassing proposed development of new solar, onshore wind, and energy storage resources); (ii) requests for approval to construct 13 new utility-scale projects and to enter into 24 new purchase power agreements ("PPAs"); and (iii) DEV's request for approval of revised Rider CE. The Commission (i) found that, for the limited purpose of filing its second annual RPS plan under Code § 56-585.5 D 4, DEV's plan was reasonable and prudent; (ii) approved the utility-scale projects and PPAs proposed by the Company; and (iii) approved revised Rider CE.<sup>5</sup>
- On July 1, 2022, the Commission issued a Final Order concerning its review of DEV's request for approval of a rate adjustment clause, designated Rider SNA, for costs associated with preparing Petitions for Subsequent License Renewal to the Nuclear Regulatory Commission to extend the operating licenses of, and the projects reasonably appropriate to upgrade or replace systems and equipment deemed to be necessary to operate safely and reliability, Dominion's Surry Units 1

of the Code of Virginia, Case No. PUR-2021-00058, 2021 S.C.C. Ann. Rept. 444, Final Order (November 18, 2021).

<sup>4</sup> *Petition of Virginia Electric and Power Company, For approval of a plan for electric grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00127, Doc. Con. Cen. No. 22010126, Final Order (January 7, 2022).

<sup>5</sup> *Petition of Virginia Electric and Power Company, For approval of the RPS Development Plan, approval and certification of the proposed CE-2 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, revision of rate adjustment clause, designated Rider CE, under § 56-585.1 A 6 of the Code of Virginia, and a prudence determination to enter into power purchase agreements pursuant to § 56-585.1:4 of the Code of Virginia*, Case No. PUR-2021-00146, Doc. Con. Cen. No. 220320113, Final Order (March 15, 2022) (approving 857 megawatts ("MW") of new solar generation capacity and 103 MW of energy storage capacity). The Commission previously approved 498 MW of new solar facilities for Dominion. *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, 2021 S.C.C. Ann. Rept. 242,243, Final Order (April 30, 2021).

and 2 and North Anna Units 1 and 2 in an extended period of operation.<sup>6</sup> The Commission adopted a proposed Stipulation in that case and approved the Petition as modified by the Stipulation.

- On July 15, 2022, the Commission issued its Final Order concerning Appalachian Power Company's ("APCo") 2021 RPS Plan. The Commission: (i) found APCo's RPS Development Plan is reasonable and prudent for the limited purpose of its second annual plan; (ii) approved APCo's requests for approval of cost recovery for 313.9 MW of solar and onshore wind capacity, including both company-owned resources and PPAs; (iii) granted APCo's request for a prudency determination for 238.9 MW of solar capacity, including company-owned resources and PPAs; (iv) approved the recovery of projected costs of renewable energy certificates ("RECs") purchased in the PJM<sup>7</sup> REC market; and (v) approved rate adjustment clauses ("RACs") for cost recovery.<sup>8</sup> The Commission also established additional directives regarding APCo's modeling in its subsequent RPS Plans.<sup>9</sup> The Commission further directed APCo to continue filing a consolidated bill analysis in its RPS Filings.
- On August 5, 2022, the Commission issued a Final Order approving requested cost recovery associated with DEV's proposed 2,587 MW Coastal Virginia Offshore Wind Commercial Project ("CVOW Project") to be located in a federal lease area off the coast of Virginia Beach, Virginia.<sup>10</sup> The project consists of 176 wind turbines, each designed to generate 14.7 MW. The project is expected to have a capital cost of \$9.8 billion and will likely be the largest capital investment, and single largest project, in the history of Dominion Energy Virginia. The Commission also approved the electric interconnection and transmission facilities to connect the CVOW Project reliably with the existing transmission system. DEV and Consumer Counsel have requested the Commission reconsider aspects of the Final Order.

<sup>6</sup> *Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider SNA under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00229, Doc. Con. Cen. No. 220710001, Final Order (July 1, 2022).

<sup>7</sup> PJM Interconnection, L.L.C. ("PJM")

<sup>8</sup> *Petition of Appalachian Power Company, For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests*, Case No. PUR-2021-00206, Doc. Con. Cen. No. 220720045, Final Order on Petition and Associated Requests, and Order Bifurcating Proceeding (July 15, 2022).

<sup>9</sup> *See, e.g., id.* at 6-7.

<sup>10</sup> *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq. and § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00142, Doc. Con. Cen. No. 220820117, Final Order (August 5, 2022).



- On August 10, 2022, the Commission issued a Final Order in DEV's annual demand-side management ("DSM") filing that approved, among other things, (i) DEV's proposed Phase X DSM Programs including proposed enhancement and expansion of certain previously approved programs; (ii) reorganization and consolidation of the DEV's DSM Portfolio; and (iii) cost recovery through associated RACs.<sup>11</sup> The Commission had previously approved, on September 7, 2021, the DEV's application seeking (i) approval of the Company's Phase IX DSM programs, including 11 new energy efficiency and demand response programs; (ii) the expansion and modification of certain existing programs; and (iii) approval of cost recovery through associated RACs.<sup>12</sup>
- Both APCo (a Phase I Utility) and DEV (a Phase II Utility) estimate that they are on target to implement energy efficiency programs and measures to achieve the total annual energy savings targets for 2023 as specified by Code § 56-596.2.

## B. Rate and Capital Outlook

### DEV

- DEV's typical<sup>13</sup> monthly residential bill has increased by \$46.34 to \$136.93<sup>14</sup> (a 51.15% increase) from July 1, 2007,<sup>15</sup> to July 1, 2022. Over the 12 months ended July 1, 2022, DEV's typical monthly residential bill has increased by \$15.65.
- DEV did not file an Integrated Resource Plan ("IRP") in 2021. In accordance with Code § 56-599, DEV's next IRP will be due by May 1, 2023.

<sup>11</sup> *Petition of Virginia Electric and Power Company, For approval of its 2021 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2021-00247, Doc. Con. Cen. No. 220830003, Final Order (August 10, 2022).

<sup>12</sup> *Application of Virginia Electric and Power Company, For approval of its 2020 DSM Update pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2020-00274, 2021 S.C.C. Ann. Rept. 350, Final Order (September 7, 2021).

<sup>13</sup> For purposes of this report, a typical residential bill is based on usage of 1,000 kilowatt-hours ("kWh") per month.

<sup>14</sup> This amount includes an interim fuel factor rate of \$0.35379 which is subject to change pending a final order in Case No. PUR-2022-00064. *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6*, Case No. PUR-2022-00064, Doc. Con. Cen. No. 220540002, Order Establishing 2022-2023 Fuel Factor Proceeding (May 24, 2022).

<sup>15</sup> Enactment Clause 7 of 2007 Va. Acts chs. 888 and 933 requires the Commission, in consultation with the Office of the Attorney General, to "submit a report to the Governor and General Assembly by November 1, 2012, and every five years thereafter, assessing the rates and terms and conditions of incumbent electric utilities in the Commonwealth." The first five-year window for this rate assessment was 2007-2012. The Commission begins its rate analysis with the year 2007 in this report to coincide with this window.

- On November 18, 2021, the Commission issued a Final Order in DEV's first triennial review, covering the period 2017 – 2020.<sup>16</sup> The Commission approved a Stipulation among DEV, Commission Staff, and certain case participants.<sup>17</sup> The Stipulation provided for customer refunds, totaling \$330 million, the statutory maximum annual rate reduction of \$50 million, and customer credit reinvestment offsets of \$309 million.<sup>18</sup> For a typical residential customer, this results in a decrease of approximately \$0.90 per month effective January 1, 2022 and refunds totaling approximately \$67.00 over the 2022-2023 period. The Commission also approved a 9.35% return on common equity ("ROE") as fair and reasonable for the 2021 – 2023 period that will be the subject of DEV's next triennial review.<sup>19</sup>
- As reported by DEV, its base rate financial results for 2021 reflect an actual earned ROE of 11.49%, which is above its authorized ROE of 9.35%.<sup>20</sup> DEV's 2021 financial results will be audited as part of its next triennial review, which will be filed in 2024 and will cover the period 2021 – 2023.
- In a February 2022 presentation to investors, DEI<sup>21</sup> identified DEV capital investments of approximately \$27.9 billion for the five-year period 2022 – 2026, including investments in wind and solar generation, energy storage, nuclear facility relicensing, transmission, distribution undergrounding, and grid transformation. These investments would reflect a 74% increase in DEV's rate base by 2026, with 55% being recovered from customers through RACs.

#### APCo

- APCo's typical monthly residential bill has increased by \$55.64 to \$122.25 (an 83.53% increase) from July 1, 2007, to July 1, 2022. Over the 12 months ending July 1, 2022, APCo's typical monthly residential bill has increased by \$5.16.
- On August 18, 2022, the Supreme Court of Virginia issued its opinion on the appeals of APCo and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") concerning the Commission's decision in APCo's

<sup>16</sup> *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms, and conditions for the provision of generation, distribution, and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUR-2021-00058, 2021 S.C.C. Ann. Rept. 444, Final Order (November 18, 2021).

<sup>17</sup> The remaining participants did not join, but did not oppose, the Stipulation. *Id.* at 2-3.

<sup>18</sup> *Id.* at 3.

<sup>19</sup> *Id.* at 5.

<sup>20</sup> *Id.*

<sup>21</sup> Dominion Energy, Inc. ("DEI").

2020 Triennial Review.<sup>22</sup> The Court affirmed in part, reversed in part, and remanded the case to the Commission for further proceedings consistent with the Court's opinion.<sup>23</sup>

- As reported by APCo, its base rate financial results for 2021 reflect an actual earned ROE of 5.38%, which is below its authorized ROE of 9.20%.<sup>24</sup> APCo's 2021 financial results will be audited as part of its next triennial review, which is due to be filed by March 31, 2023, and will cover the period 2020 – 2022.
- APCo filed its 2022 IRP on April 29, 2022. Based on APCo's billing analysis, showing projected annual impacts to a residential bill over the next five years incorporating the requirements of the VCEA, the monthly bill of a Virginia residential customer using 1,000 kWh per month is projected to be between \$141.73 and \$143.07 by 2026, an increase of between \$19.50 and \$20.84 per month over the April 29, 2022 typical residential bill (or an estimated annual increase of \$234.00 to \$250.08).<sup>25</sup> APCo's 2022 IRP is pending before the Commission and an evidentiary hearing is scheduled to begin on October 25, 2022.<sup>26</sup>

<sup>22</sup> *Application of Appalachian Power Company, For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2020-00015, 2020 S.C.C. Ann. Rept. 421, Final Order (November 24, 2020).

<sup>23</sup> *Appalachian Power Co. v. State Corp. Comm'n*, Record No. 210391 (Va. Aug. 18, 2022).

<sup>24</sup> The authorized ROE of 9.20% was set in the Commission's Final Order in Case No. PUR-2020-00015.

<sup>25</sup> The projected monthly bill increases of \$19.50 and \$20.84 are based on the 2022 IRP Least Cost Plan and Hybrid Plan, respectively.

<sup>26</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2022-00051, Doc. Con. Cen. No. 220540021, Order for Notice and Hearing (May 24, 2022).

## **I.** **INTRODUCTION**

The Commission appreciates this opportunity to provide an update to the General Assembly on the Commission's implementation of the Regulation Act including the VCEA. The Commission has conducted numerous proceedings over the last year pursuant to the Regulation Act that are discussed in detail below. As a general matter, the Commission is seeing upward pressure on utility rates, not just for investor-owned electric utilities,<sup>27</sup> but across all regulated utilities. Factors contributing to increased utility costs include inflation, pandemic recovery, supply chain limitations, and high natural gas and other commodity prices, as well as geopolitical events. The Commission is keenly aware of the economic pressures that are impacting all utility customers and takes seriously its responsibility to review rate recovery requests. In each case, the Commission evaluates the request pursuant to the applicable laws, as well as the findings of fact supported by the evidence in the record.

The Commission continues to implement the VCEA in a manner that faithfully applies the requirements that include carbon reduction, while best protecting consumers who expect and deserve reliable and affordable service. Since the effective date of the VCEA, the Commission has approved DEV's requests for approval of 1,355 MW of new solar facilities (DEV-owned and PPA) and 103 MW of new energy storage capacity under the VCEA.<sup>28</sup> The Commission also recently issued an order approving cost

<sup>27</sup> DEV's most recent fuel factor filing, for example, showed a projected fuel deferral balance over the July 2021-June 2022 period of approximately \$1 billion, due to increases in commodity prices over the past year. *Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to Va. Code § 56-249.6*, Case No. PUR-2022-00064, Application at 2 (filed May 5, 2022).

<sup>28</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Establishing 2020 RPS Proceeding for Virginia Electric and Power Company*, Case No. PUR-2020-00134, 2021 S.C.C. Ann.

recovery associated with DEV's 2,587 MW CVOW Project, which is discussed in more detail below. For APCo, the Commission has approved 498 MW of new renewable generation supply since the passage of the VCEA.<sup>29</sup>

The Commission also concluded the first triennial review of DEV, approving the statutory maximum annual rate reduction of \$50 million effective January 1, 2022, and customer refunds totaling \$330 million over the 2022-2023 period, which is discussed in further detail below.

As detailed in Section V below, in addition to reviewing individual utility applications, the Commission has also sponsored and contributed to several stakeholder processes related to various aspects of utility regulation. Among those, as directed by House Bill 2282,<sup>30</sup> the Commission conducted a stakeholder process in the fall of 2021 focused on the transportation electrification with over 60 different organization participating in these meetings. On April 29, 2022, the Commission submitted a report to the General Assembly regarding policy proposals governing public electric utility programs to accelerate widespread transportation electrification in the Commonwealth,

Rept. 242, 243, Final Order (April 30, 2021) (approving 498 MW of new solar facilities); *Petition of Virginia Electric and Power Company, For approval of the RPS Development Plan, approval and certification of the proposed CE-2 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, revision of rate adjustment clause, designated Rider CE, under § 56-585.1 A 6 of the Code of Virginia, and a prudence determination to enter into power purchase agreements pursuant to § 56-585.1:4 of the Code of Virginia*, Case No. PUR-2021-00146, Doc. Con. Cen. No. 220320113, Final Order at 6 (March 15, 2022) (approving 857 MW of new solar generation capacity and 103 MW of energy storage capacity).

<sup>29</sup> *Petition of Appalachian Power Company, For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests*, Case No. PUR-2021-00206, Doc. Con. Cen. No. 220720045, Final Order on Petition and Associated Requests, and Order Bifurcating Proceeding (July 15, 2022); *Petition of Appalachian Power Company, For a prudence review, pursuant to § 56-585.1:4 H of the Code of Virginia, with respect to the purchase of the Amherst Solar Facility*, Case No. PUR-2021-00066, Doc. Con. Cen. No. 220230049, Final Order (February 18, 2022).

<sup>30</sup> 2021 Va. Acts ch. 268 (Special Session 1).

noting that the increased deployment of motor vehicles powered by electricity presents several issues that potentially could affect the affordability and reliability of electricity service delivered to consumers by regulated utilities.<sup>31</sup> Consistent with the recommendations of the stakeholder report, the Commission subsequently issued an Order that required DEV and APCo to file transportation electrification plans on or before May 1, 2023.<sup>32</sup>

### *Pandemic-related Activities*

The Commission has previously reported on its response to the public health concern related to the spread of the coronavirus, or COVID-19. As noted in the 2021 Report, through several orders, the Commission directed regulated electric, natural gas, and water and sewer companies in Virginia to suspend service disconnections through October 5, 2020, affording the General Assembly and the Governor time to address the economic impact on utility customers legislatively.<sup>33</sup> Thereafter, the General Assembly in a November 2020 Special Session enacted budget legislation further prohibiting utility shut-offs during the then state of emergency declared by the Governor, subject to certain

<sup>31</sup> House Doc. No. 8, Report: Policy Proposals Governing Public Electric Utility Programs to Accelerate Widespread Transportation Electrification in the Commonwealth Pursuant to Chapter 268 of the 2021 Virginia Acts of Assembly (Special Session I) (HB 2282) (April 29, 2022). <https://rga.lis.virginia.gov/Published/2022/HD8/PDF>

<sup>32</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electrification of Motor Vehicles*, Case No. PUR-2020-00051, Doc. Con. No. 220630077, Order Directing the Filing of Transportation Electrification Plans (June 15, 2022).

<sup>33</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements*, Case No. PUR-2020-00048, 2020 S.C.C. Ann. Rept. 467, Order Suspending Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of Service (March 16, 2020); 2020 S.C.C. Ann. Rept. 467, Order Extending Suspension of Service Disconnections (April 9, 2020); 2020 S.C.C. Ann. Rept. 469, Order on Suspension of Service Disconnections (June 12, 2020); 2020 S.C.C. Ann. Rept. 473, Order on Moratorium (August 24, 2020); 2020 S.C.C. Ann. Rept. 475, Additional Order on Moratorium (September 15, 2020).

conditions and limitations.<sup>34</sup> This budget legislation also directed the Commission to distribute \$100 million of Virginia's portion of coronavirus relief funds ("CRF") received under Public Law 116-136: Coronavirus Aid, Relief, and Economic Security Act, to electric, natural gas, and water and sewer utilities, including municipal utilities, throughout the Commonwealth to offset utility customer billing arrearages due to COVID-19.<sup>35</sup> Relatedly, budget legislation enacted by the General Assembly during a 2021 Special Session directed the Commission, in coordination with the Department of Housing and Community Development, to distribute \$120 million of additional coronavirus relief funds received by Virginia under Public Law 117-2: American Rescue Plan Act of 2021 ("ARPA").<sup>36</sup> These funds were also distributed to Virginia's utilities (as identified above) to offset utility customer billing arrearages due to COVID-19. The Commission and its Staff continue to provide oversight of these CRF and ARPA distributions. Additionally, and at the General Assembly's direction, the Commission since 2020 has submitted annual reports to the General Assembly and the Executive Branch detailing current utility customer billing arrearages and utility service disconnections.<sup>37</sup> The annual submission of these reports will continue through 2023.

#### Composition of the Electric Industry in Virginia

The Commission's responsibilities include regulating a diverse electric industry pursuant to the Virginia Constitution and the laws enacted by the General Assembly.

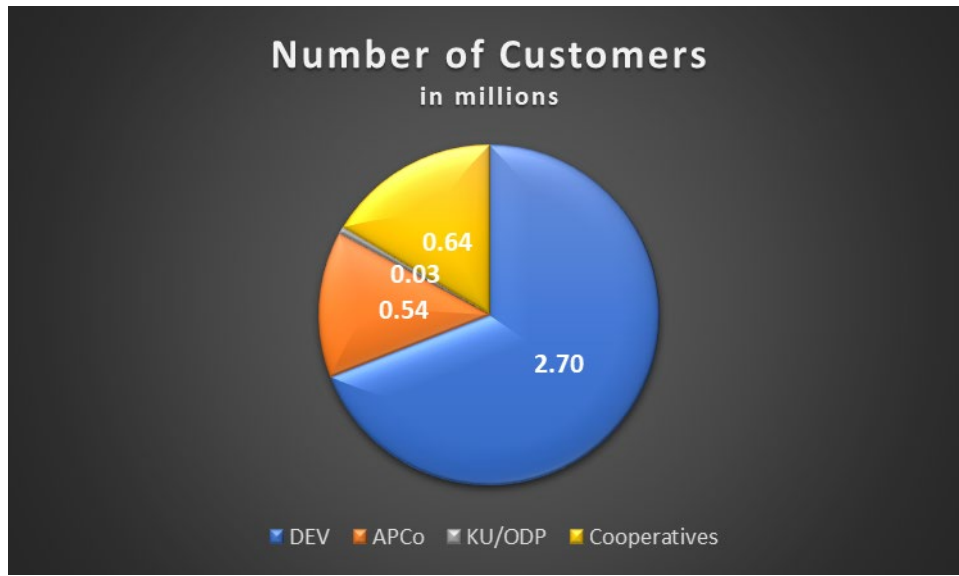
<sup>34</sup> See, House Bill 5005, 2020 Va. Acts, Special Session I, ch. 56 (Item 4-14)

<sup>35</sup> See, House Bill 5005, 2020 Va. Acts, Special Session I, ch. 56 (Item 479.10). See also, House Bill 1800, 2021 Va. Acts, Special Session I, ch. 552 (modifying pertinent provisions in Item 479.10).

<sup>36</sup> See, House Bill 7001, 2021 Va. Acts, Special Session II, ch. 1 (Item 479.20).

<sup>37</sup> See, House Bill 5005, 2020 Va. Acts, Special Session I, ch. 56 (Item 4-14)

Virginia's electric industry, for which the Commission regulates the rates and services to customers, consists of three investor-owned utilities and 13 member-owned electric cooperatives.<sup>38</sup> The number of Virginia jurisdictional customers by utility is shown below:<sup>39</sup>



## **II.** **RATE AND CAPITAL OUTLOOK**

### **DEV Typical Residential Bill**

Below is a chart that reflects the magnitude of the three financial components of DEV customer bills as of the effective dates of the Regulation Act (July 1, 2007),<sup>40</sup> the Transitional Rate Period (July 1, 2015),<sup>41</sup> the Grid Transformation and Security Act

<sup>38</sup> Non-jurisdictional utilities, such as municipal electric utilities, also provide service in Virginia.

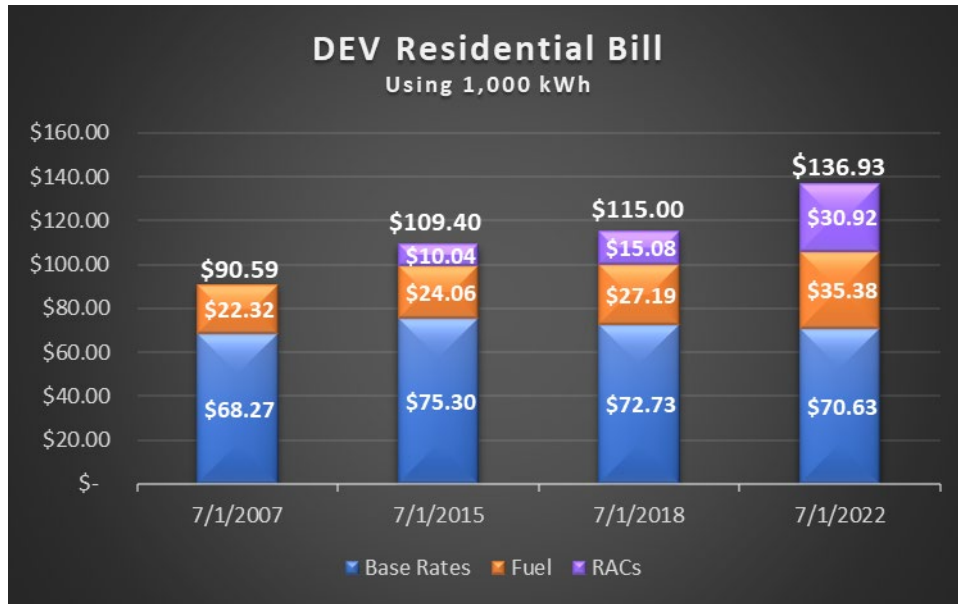
<sup>39</sup> Total Virginia customer numbers were reported in Federal Energy Regulatory Commission ("FERC") Form 1 and Annual Operating Reports.

<sup>40</sup> 2007 Va. Acts. chs. 888 and 933.

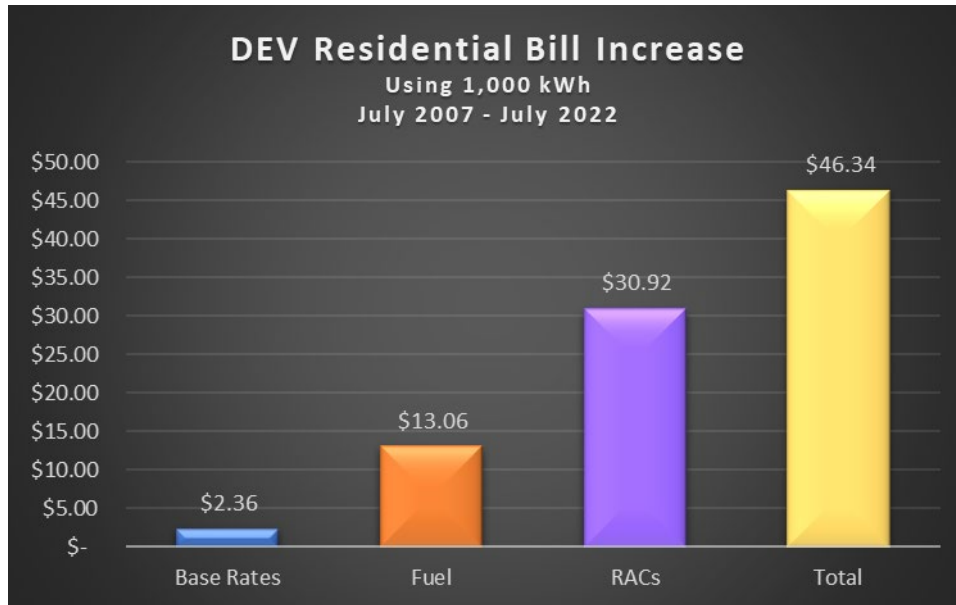
<sup>41</sup> See Code § 56-585.1:1 for the specific transitional rate periods for Dominion and APCo. Both utilities were in their transitional rate periods on July 1, 2015.



("GTSA") (July 1, 2018), and the current year (July 1, 2022) for a typical residential customer using 1,000 kWh per month.



As the chart above indicates, DEV's monthly residential bill was \$90.59 as of July 1, 2007. The bill has increased by \$46.34 (51.15%) to \$136.93 per month as of July 1, 2022. As reflected on the chart below, the RAC component of the bill experienced the largest increase over this period.



The following chart itemizes a typical residential customer's bill by rate recovery mechanism as of July 1, 2022.

<b>DEV Electric Utility Bills</b>					
<b>As of July 1, 2022</b>					
<b>Recovery Mechanism</b>	<b>Description</b>	<b>Current Residential Bill</b>	<b>Proposed Increase if Pending</b>	<b>Proposed Bill</b>	<b>Requested Effective Date</b>
Base Rates	Base	\$ 70.63	\$ -	\$ 70.63	-
Fuel Factor	Fuel	\$ 35.38	\$ -	\$ 35.38	7/1/22*
Rider T1	Transmission	\$ 6.90	\$ (3.69)	\$ 3.21	9/1/22
Rider R	Bear Garden Gas CC	\$ 1.14	\$ -	\$ 1.14	-
Rider W	Warren Gas CC	\$ 2.34	\$ (0.38)	\$ 1.96	4/1/23
Rider BW	Brunswick Gas CC	\$ 2.10	\$ 0.70	\$ 2.80	9/1/22
Rider GV	Greensville Gas CC	\$ 2.75	\$ -	\$ 2.75	-
Rider S	VCHEC	\$ 3.70	\$ -	\$ 3.70	-
Rider B	Biomass	\$ 0.30	\$ 0.33	\$ 0.63	4/1/23
Rider US-2	Solar	\$ 0.17	\$ 0.05	\$ 0.22	9/1/22
Rider US-3	Solar	\$ 0.96	\$ -	\$ 0.96	-
Rider US-4	Solar	\$ 0.30	\$ -	\$ 0.30	-
Rider CE	Solar	\$ 1.32	\$ 1.13	\$ 2.45	-
Rider SNA	Nuclear Relicensing	\$ -	\$ 2.11	\$ 2.11	9/1/22
Rider RPS	RECs	\$ 0.18	\$ 1.64	\$ 1.82	9/1/22
Rider RGGI	RGGI	\$ -	\$ -	\$ -	7/1/22**
Rider OSW	Offshore Wind	\$ -	\$ 1.45	\$ 1.45	9/1/22
Rider PPA	Renewable PPAs	\$ -	\$ (0.07)	\$ (0.07)	9/1/22
Riders C1A/C2A/etc.	Energy Efficiency	\$ 1.31	\$ 0.29	\$ 1.60	9/1/22
Rider U	Strategic Undergrounding	\$ 2.50	\$ (0.51)	\$ 1.99	4/1/23
Rider GT	Grid Transformation	\$ 1.16	\$ -	\$ 1.16	-
Rider E	Coal Ash	\$ 1.25	\$ 0.70	\$ 1.95	9/1/22
Rider CCR	Coal Ash	\$ 2.95	\$ 0.01	\$ 2.96	12/1/22
Rider RBB	Rural Broadband	\$ 0.03	\$ 0.14	\$ 0.17	12/1/22
PIPP USF***	PIPP	\$ 0.03	\$ -	\$ 0.03	-
Rider VCR****	Voluntary Credit Rider	\$ (0.47)	\$ -	\$ (0.47)	-
<b>Total</b>		<b>\$ 136.93</b>	<b>\$ 3.90</b>	<b>\$ 140.83</b>	

\*The fuel factor rate was implemented on an interim basis on 7/1/22, subject to modification.

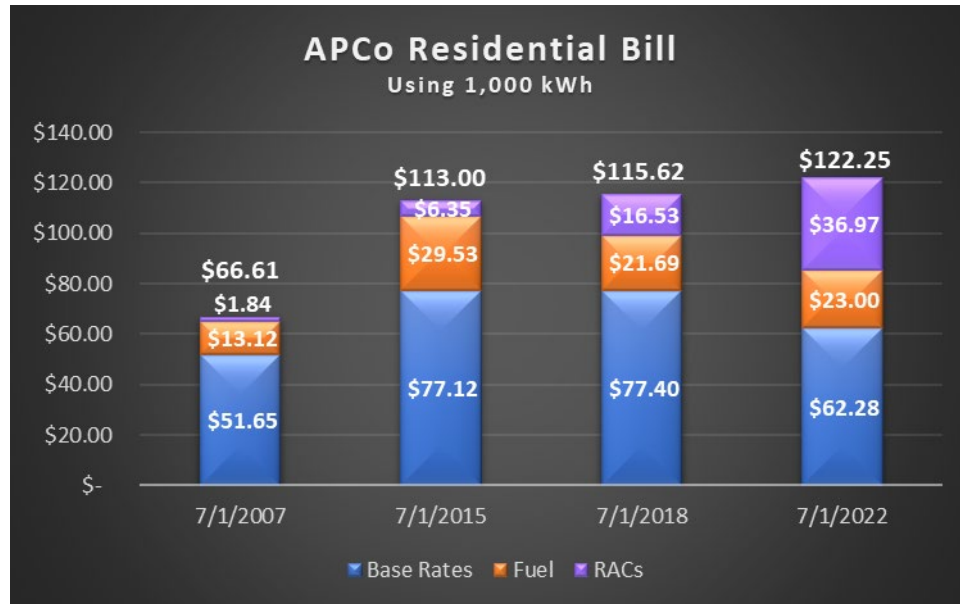
\*\*The Commission granted DEV's petition to reset Rider RGGI to zero and recover the unrecovered RGGI compliance costs through base rates.

\*\*\*Current PIPP collections are designed to fund the estimated start-up costs of DSS needed to establish the PIPP. The PIPP will commence no later than one year after DSS publishes guidelines for the adoption, implementation, and general administration of the PIPP and Percentage of Income Payment Fund.

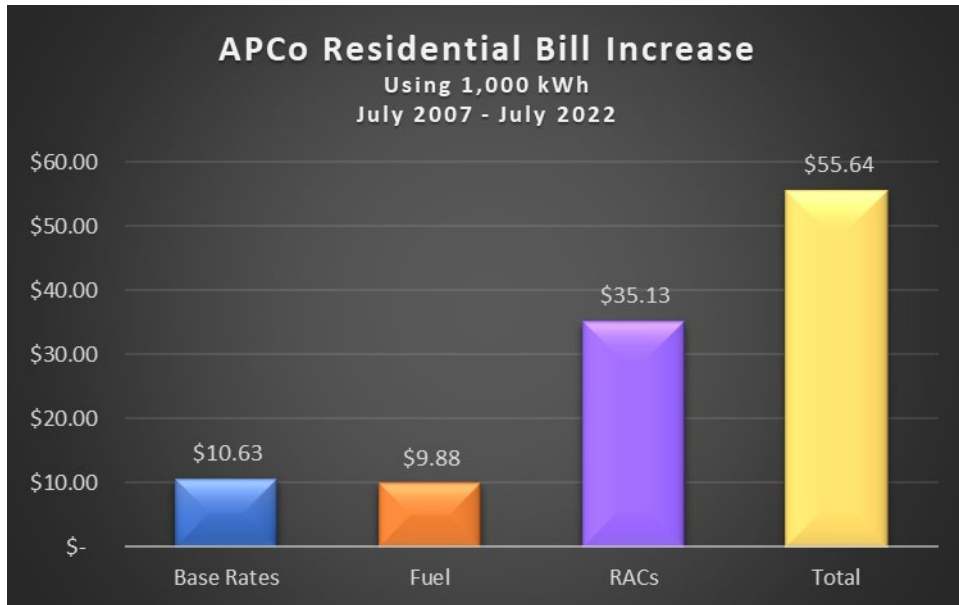
\*\*\*\*Rider VCR provides bill credits to customers pursuant to the stipulation in DEV's 2021 triennial review.

### APCo Typical Residential Bill

Below is a chart that reflects the magnitude of the three financial components of APCo customer bills as of the effective dates of the Regulation Act (July 1, 2007), the Transitional Rate Period (July 1, 2015), the GTSA (July 1, 2018), and the current year (July 1, 2022) for a typical residential customer using 1,000 kWh per month.



As the chart indicates, APCo's monthly residential bill was \$66.61 as of July 1, 2007. The bill has increased by \$55.64 (83.53%) to \$122.25 per month as of July 1, 2022. As reflected on the chart below, the RAC component of the bill experienced the largest increase over this period.



The following chart itemizes a typical residential customer's bill by rate recovery mechanism as of July 1, 2022.<sup>42</sup>

APCo Electric Utility Bills As of July 1, 2022						
Recovery Mechanism	Description	Current Residential Bill	Proposed Increase if Pending	Proposed Bill	Requested Effective Date	
Base Rates	Base	\$ 65.40	\$ -	\$ 65.40	-	
Fuel Factor	Fuel	\$ 23.00	\$ -	\$ 23.00	-	
TRR Rider Credit	Tax Reform	\$ (3.12)	\$ -	\$ (3.12)	-	
PIPP USF	PIPP*	\$ 0.04	\$ -	\$ 0.04	-	
T-RAC	Transmission	\$ 31.55	\$ 2.88	\$ 34.43	8/1/22	
G-RAC	Dresden Gas CC	\$ 2.55	\$ -	\$ 2.55	-	
EE-RAC	Energy Efficiency	\$ 1.12	\$ 0.34	\$ 1.46	9/1/22	
DR-RAC	Demand Response	\$ 0.22	\$ -	\$ 0.22	-	
E-RAC	Coal Ash	\$ 2.11	\$ 0.80	\$ 2.91	12/1/22	
BC-RAC	Rural Broadband	\$ 0.54	\$ (0.69)	\$ (0.15)	2/1/23	
RPS-RAC (legacy)	Voluntary RPS	\$ (1.16)	\$ -	\$ (1.16)	-	
RPS-RAC (new)	Mandatory RPS	\$ -	\$ 2.37	\$ 2.37	8/1/22	
Total		\$ 122.25	\$ 5.70	\$ 127.95		

\*Current PIPP collections are designed to fund the estimated start-up costs of DSS needed to establish the PIPP. The PIPP will commence no later than one year after DSS publishes guidelines for the adoption, implementation, and general administration of the PIPP and Percentage of Income Payment Fund.

### **Rate and Capital Outlook**

#### *2021 RPS Plans*

On September 15, 2021, DEV submitted its petition for approval of its 2021 RPS Plan to develop new solar and onshore wind generation capacity and energy storage as required by the VCEA pursuant to Code § 56-585.5 D 4. Among other things, DEV's 2021 RPS Plan calls for 3,105 MW of solar and onshore wind development through 2024 and the development of 331 MW of energy storage resources through 2025.<sup>43</sup> DEV

<sup>42</sup> The TRR Rider Credit is a temporary base rate rider credit to return to customers the impacts of the 2018 Tax Cuts and Jobs Act.

<sup>43</sup> *Petition of Virginia Electric and Power Company, For approval of its 2021 RPS Development Plan under § 56-585.5 D 4 of the Code of Virginia and related requests*, Case No. PUR-2021-00146, Doc. Con.

estimates that by 2045, it may have 18,356 MW (nameplate) of solar resources, 5,174 MW (nameplate) of offshore wind resources, and 316 MW (nameplate) of hydroelectric resources that it will use toward meeting its capacity obligations in PJM, in addition to 2,580 MW (nameplate) of energy storage.<sup>44</sup>

The Commission issued a Final Order on March 15, 2022, wherein it: (i) found DEV's RPS Plan was reasonable and prudent for the limited purpose of its second annual plan; (ii) approved approximately 857 MW of new solar generation capacity in the Commonwealth including both company-owned resources and PPAs; (iii) approved 103 MW of energy storage capacity; and (iv) approved a RAC for cost recovery associated with approved company-owned solar facilities.<sup>45</sup> The Commission also established additional directives regarding DEV's modeling in its subsequent RPS Plans.<sup>46</sup> The Commission further directed DEV to continue filing a consolidated bill analysis in its IRP and RPS Plan proceedings with information through 2035.<sup>47</sup> DEV has filed a notice of intent to file its 2022 RPS Plan on or after September 15, 2022.

On December 30, 2021, APCo submitted its 2021 RPS Plan to develop new solar and onshore wind generation capacity required by the VCEA. Among other things,

Cen. No. 210930080, RPS Plan at 4, 7 (filed September 15, 2021). For additional information on renewable deployment, on or before December 1 of each year, the Commission files an annual report to the General Assembly on the construction of new solar and wind projects pursuant to Enactment Clause 14 of the GTSA, as amended by 2020 Va. Acts ch. 1190.

<sup>44</sup> *Id.* at 14.

<sup>45</sup> *Petition of Virginia Electric and Power Company, For approval of its 2021 RPS Development Plan under § 56-585.5 D 4 of the Code of Virginia and related requests*, Case No. PUR-2021-00146, Doc. Con. Cen. No. 220320113, Final Order (March 15, 2022).

<sup>46</sup> *See, e.g., id.* at 8-10.

<sup>47</sup> *Id.* at 11.

APCo's 2021 RPS Plan calls for approximately 553 MW of solar and onshore wind development through 2025, including resources that became operational in 2021 and resources expected to become operational by the end of 2022.<sup>48</sup> APCo anticipates adding storage resources beginning in 2025.<sup>49</sup> APCo estimates that by 2040, it may have 2,736 MW (nameplate) of solar, 750 MW (nameplate) of onshore wind, and 2,937 MW (nameplate) of energy storage, through a mix of company-owned resources and PPAs, to meet the requirements of the VCEA.<sup>50</sup>

On July 15, 2022, the Commission issued a Final Order on APCo's 2021 RPS Plan, wherein the Commission: (i) found APCo's RPS Development Plan is reasonable and prudent for the limited purpose of its second annual plan; (ii) approved APCo's requests for approval of cost recovery for 313.9 MW of solar and onshore wind capacity, including both company-owned resources and PPAs; (iii) granted APCo's request for a prudency determination for 238.9 MW of solar capacity, including company-owned resources and PPAs; (iv) approved the recovery of projected costs of RECs purchased in the PJM REC market; and (v) approved RACs for cost recovery.<sup>51</sup> The Commission also established additional directives regarding APCo's modeling in its subsequent RPS

<sup>48</sup> *Petition of Appalachian Power Company, For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia*, Case No. PUR-2021-00206, RPS Plan at 7 (filed December 30, 2021).

<sup>49</sup> *Id.* at 8, 37.

<sup>50</sup> *Id.* at 40.

<sup>51</sup> *Petition of Appalachian Power Company, For approval of its 2021 RPS Plan under § 56-585.5 of the Code of Virginia and related requests*, Case No. PUR-2021-00206, Doc. Con. Cen. No. 220720045, Final Order on Petition and Associated Requests, and Order Bifurcating Proceeding (July 15, 2022).



Plans.<sup>52</sup> The Commission further directed APCo to continue filing a consolidated bill analysis in its RPS Filings.<sup>53</sup>

The Commission also found that a separate proceeding should be established to further consider the appropriate cost recovery framework for APCo's VCEA-related resources, the allocation of costs net of benefits pursuant to Code § 56-585.5 F, and class and jurisdictional cost allocation.<sup>54</sup> The Commission directed APCo to make a filing addressing these issues on or before October 1, 2022.<sup>55</sup>

### *DEV Offshore Wind*

On August 5, 2022, the Commission issued a Final Order on DEV's application for cost recovery associated with its proposed CVOW Project.<sup>56</sup> The project consists of 176 wind turbines, each designed to generate 14.7 MW, to be located approximately 27 miles off the coast of Virginia Beach. The project is expected to have a capital cost of \$9.8 billion and will likely be the largest capital investment, and single largest project, in the history of Dominion Energy Virginia.<sup>57</sup>

The Commission approved a revenue requirement of \$78.702 million for the rate year of September 1, 2022, to August 31, 2023, to be recovered through a new rate

<sup>52</sup> See, e.g., *id.* at 6-7.

<sup>53</sup> *Id.* at 8.

<sup>54</sup> See *id.* at 13-15.

<sup>55</sup> *Id.* at 17.

<sup>56</sup> *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq. and § 56-585.1 A 6 of the Code of Virginia, Case No. PUR-2021-00142, Doc. Con. Cen. No. 220820117, Final Order (August 5, 2022).*

<sup>57</sup> *Id.* at 5-6.

adjustment clause, designated Rider OSW.<sup>58</sup> Over the projected 35-year lifetime of the project, for a residential customer using 1,000 kWh of electricity per month, Rider OSW is projected to result in an average monthly bill increase of \$4.72 and a peak monthly bill increase of \$14.22 in 2027.<sup>59</sup>

The Commission recognized that significant concerns were raised throughout the proceeding regarding the affordability of the project and the financial risk to ratepayers. With a project of this magnitude, the Commission ordered the following consumer protections:<sup>60</sup>

- Dominion shall file a notice with the Commission within 30 calendar days if it determines that the total project costs are expected to exceed the current estimate, or if the final turbine installation is expected to be delayed beyond February 4, 2027.
- Each annual Rider OSW update application filed by Dominion prior to the project's commercial operation shall include any material changes to the project, the most recent biannual project update, and a written explanation as to the reason for any cost overruns above the most recent estimate provided by the company to include the reasonableness and prudence of the additional costs.
- Beginning with the commercial operation and extending for the life of the project, customers shall be held harmless for any shortfall in energy production below an annual net capacity factor of 42 percent, as measured on a three-year rolling average ("Performance Standard").

In a concurring opinion, Commissioner Jagdmann wrote that she agrees with the Final Order in all respects. She emphasized that these aforementioned protections do not completely address potential Project abandonment risks, stating:

[i]mportantly, the General Assembly has effectively maintained its ability to implement additional protections – for example through funding mechanisms such as general

<sup>58</sup> *Id.* at 11-12.

<sup>59</sup> *Id.* at 5.

<sup>60</sup> *Id.* at 14-16.

fund appropriation or other means, such as implementing new legislation designating the consumer-funded proceeds from Dominion's participation in the Regional Greenhouse Gas Initiative ("RGGI") be used to lessen the cost of the CVOW Project.... Such action may be appropriate given the public policy support for and economic development aspects of this Project.<sup>61</sup>

On August 22, 2022, DEV filed a Petition for Limited Reconsideration of the Commission's decision requesting the Commission reconsider the Performance Standard. Among other things, Dominion states that "[a]s ordered, [the performance standard] will prevent the Project from moving forward, and the Company will be forced to terminate all development and construction activities."<sup>62</sup> On August 24, 2022, the Commission issued an order granting reconsideration for purposes of continuing jurisdiction over the case and directed the filing of responses to DEV's request for reconsideration. On August 25, 2022, Consumer Counsel filed a Petition for Clarification or Reconsideration related to the Performance Standard.<sup>63</sup>

### *Nuclear License Extensions*

The Commission approved DEV's petition for approval of a RAC, designed Rider SNA, for cost recovery associated with preparing Petitions for Subsequent License Renewal to the Nuclear Regulatory Commission to extend the operating license of, and

<sup>61</sup> *Id.* at 41-42.

<sup>62</sup> *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq. and § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00142, Petition of Virginia Electric and Power Company for Limited Reconsideration at 3 (filed August 22, 2022).

<sup>63</sup> *Application of Virginia Electric and Power Company, For approval and certification of the Coastal Virginia Offshore Wind Commercial Project and Rider Offshore Wind, pursuant to § 56-585.1:11, § 56-46.1, § 56-265.1 et seq. and § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00142, Petition for Clarification or Reconsideration of Office of the Attorney General, Division of Consumer Counsel (filed August 25, 2022).

the projects reasonably appropriate to upgrade or replace systems and equipment deemed to be necessary to extend the life of, Dominion's Surry Units 1 and 2 and North Anna Units 1 and 2 nuclear generation facilities from 60 to 80 years.<sup>64</sup> The approved revenue requirement for the initial rate year of Rider SNA commencing September 1, 2022, is \$106.664 million.<sup>65</sup>

#### *Grid Transformation Plan*

The Commission issued a Final Order concerning its review of DEV's petition for approval of Phase II of its GT Plan.<sup>66</sup> The approved GT Plan investments focus on grid reliability and are designed to accommodate or facilitate the expected increase in distributed energy resources resulting from recent policy developments, including the VCEA and FERC Order 2222. Approved Phase II investments include (i) advanced metering infrastructure; (ii) the customer information platform; (iii) grid infrastructure, which comprises targeted corridor improvement and voltage island mitigation; (iv) grid technologies; (v) telecommunications; (vi) cyber security; (vii) physical security; and (viii) customer education. The projected capital and operations expenses for Phase II are projected to be approximately \$776 million. The Commission's approval of these projects was made subject to certain contingencies, cost caps, and reporting requirements.

APCo did not file a grid transformation plan in 2021.

<sup>64</sup> *Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider SNA under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00229, Doc. Con. Cen. No. 220710001, Final Order (July 1, 2022).

<sup>65</sup> *Id.* at 6.

<sup>66</sup> *Petition of Virginia Electric and Power Company, For approval of a plan for electric grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUR-2021-00127, Doc. Con. Cen. No. 22010126, Final Order (January 7, 2022).

### *Integrated Resource Plans*

DEV did not file an IRP in 2021.<sup>67</sup> In accordance with Code § 56-599, DEV's next IRP will be due by May 1, 2023. In DEV's most recent prior IRP, the Commission directed DEV's future IRPs to include actual bill impact information as each year passes.<sup>68</sup> Further, the Commission found that DEV should address environmental justice in future IRPs and updates, as appropriate.<sup>69</sup>

APCo did not file a 2021 IRP. It filed its 2022 IRP on April 29, 2022. Based on APCo's billing analysis, showing projected annual impacts to a residential bill over the next five years incorporating the requirements of the VCEA, the monthly bill of a Virginia residential customer using 1,000 kWh per month is projected to be between \$141.73 and \$143.07 by 2026, an increase of between \$19.50 and \$20.84 per month over the April 29, 2022 typical residential bill (or an estimated annual increase of \$234.00 to \$250.08).<sup>70</sup> APCo's 2022 IRP is pending before the Commission and an evidentiary hearing is scheduled to begin on October 25, 2022.<sup>71</sup>

<sup>67</sup> DEV filed an update to its 2020 IRP, which was accepted for filing by the Commission. *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's 2021 Update to its Integrated Resource Plan pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2021-00201, 2021 S.C.C. Ann. Rept. 544, Final Order (October 28, 2021).

<sup>68</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2020-00035, 2021 S.C.C. Ann. Rept. 190, 195-196, Final Order (February 1, 2021). The Commission further directed that in addition to residential bills, the Company should include a billing analysis of small general service and large general service customer bills. *Id.* at 196.

<sup>69</sup> *Id.* at 195.

<sup>70</sup> The projected monthly bill increases of \$19.50 and \$20.84 are based on the 2022 IRP Least Cost Plan and Hybrid Plan, respectively.

<sup>71</sup> *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2022-00051, Doc. Con. Cen. No. 220540021, Order for Notice and Hearing (May 24, 2022).

## 2022 Investor Presentations

DEI presented its fourth quarter earnings to investors on February 11, 2022.<sup>72</sup> <sup>73</sup> This February 2022 presentation to investors identified approximately \$27.9 billion in anticipated growth capital expenditures for DEV over the period 2022 – 2026.<sup>74</sup> DEI identified the primary drivers as zero-carbon generation and storage, transmission, and customer growth, as outlined in the chart below.

### February 11, 2022 Investor Presentation DEV Identified Capital Investment Five Year Outlook 2022 through 2026

	Growth Capex 2022 - 2026
Offshore Wind	\$10 Billion
Solar	\$6.8 Billion
Transmission	\$4 Billion
Customer Growth	\$2 Billion
Nuclear Relicensing	\$2 Billion
Grid Transformation	\$1.5 Billion
Strategic Undergrounding	\$1 Billion
Energy Storage	\$0.6 Billion
<b>Total Growth Capex</b>	<b>\$27.9 Billion</b>

<sup>72</sup> Slides for the February 11, 2022 presentation ("Fourth Quarter Presentation Slides") are available at: [https://s2.q4cdn.com/510812146/files/doc\\_financials/2021/q4/2022-02-11-DE-IR-4Q-2021-earnings-call-slides-vTCIII.pdf](https://s2.q4cdn.com/510812146/files/doc_financials/2021/q4/2022-02-11-DE-IR-4Q-2021-earnings-call-slides-vTCIII.pdf). DEI is the parent company of DEV.

<sup>73</sup> DEI also gave an investor presentation on May 5, 2022, for the first quarter of 2022, and August 5, 2022, for the second quarter of 2022. These presentations did not include the same level of DEV-specific capital investment information as the 2021 fourth quarter presentation. Slides for the May 5, 2022, presentation are available at: [https://s2.q4cdn.com/510812146/files/doc\\_financials/2022/q1/2022-05-05-DE-IR-1Q-2022-earnings-call-slides-vTCI\\_Final.pdf](https://s2.q4cdn.com/510812146/files/doc_financials/2022/q1/2022-05-05-DE-IR-1Q-2022-earnings-call-slides-vTCI_Final.pdf). Slides for the August 5, 2022 presentation are available at [https://s2.q4cdn.com/510812146/files/doc\\_presentations/2022/08/2022-08-08-DE-IR-2Q-2022-earnings-call-slides-vTC.pdf](https://s2.q4cdn.com/510812146/files/doc_presentations/2022/08/2022-08-08-DE-IR-2Q-2022-earnings-call-slides-vTC.pdf).

<sup>74</sup> See Fourth Quarter Presentation Slides 47-49.

In its February 2022 presentation to investors, DEI estimated that by 2026, 92% of the \$27.9 billion of growth capex would be eligible to be recovered through RACs.<sup>75</sup> As a result, by 2026, DEI projected that a total of 55% of DEV's \$50.7 billion net rate base would be eligible to be recovered through RACs.<sup>76</sup> DEV's projected \$50.7 billion net rate base in 2026 would reflect an increase of 74% when compared to 2021. As with the Commission's 2021 report, the totality of these projected capital investments reflect DEI's presentation to investors and have not been independently reviewed by Commission Staff or as part of a Commission proceeding.

<sup>75</sup> See Fourth Quarter Presentation Slide 47.

<sup>76</sup> See Fourth Quarter Presentation Slide 51.

### III. BASE RATE FINANCIAL RESULTS

#### DEV 2017-2020 Triennial Review

On March 31, 2021, DEV filed its application for the 2021 triennial review provided for by Code § 56-585.1 A, docketed as Case No. PUR-2021-00058.<sup>77</sup> As filed, DEV presented a combined generation and distribution base rate earned ROE of 9.61%<sup>78</sup> for the combined test periods of 2017 through 2020, which is within the 70 basis point band above and below the 9.20% ROE approved by the Commission in Case No. PUR-2019-00050 to be used to measure earnings in DEV's first triennial review.<sup>79</sup> DEV's earned return was driven in large part by the impairment of the unrecovered balances of several generating units it had retired in 2019 and 2020, which it treated as a period expense subject to the provisions of Code § 56-585.1 A 8.

The evidentiary hearing for the case was held on October 25, 2021. On November 18, 2021, the Commission issued its Final Order in DEV's triennial review.<sup>80</sup>

<sup>77</sup> *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms and conditions for the provision of generation, distribution, and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUR-2021-00058, Doc. Con. Cen. No. 210340128, Application (filed March 31, 2021), amended by Doc. Con. Cen. No. 210530106, Amended Application (May 18, 2021) (including an amended application, supplemental testimony and filing schedules reflecting a revision to its earned return in the combined earnings test analysis).

<sup>78</sup> This ROE includes the earnings reduction resulting from \$206 million of customer accounts receivable written off pursuant to House Bill 5005, 2020 Va. Acts, Special Session I, ch. 56, and House Bill 1800, 2021 Va. Acts, Special Session I, ch. 552. The earned ROE was 10.42% excluding this write-off.

<sup>79</sup> *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity pursuant to § 56-585.1:1 C of the Code of Virginia*, Case No. PUR-2019-00050, 2019 S.C.C. Ann. Rept. 400, Final Order (November 21, 2019).

<sup>80</sup> *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2021-00058, 2021 S.C.C. Ann. Rept. 444, Final Order (November 18, 2021).



The Commission approved a stipulation proposed by the majority of case participants, and which was unopposed by any party to the case. In so doing, the Commission approved customer refunds totaling \$330 million, the statutory maximum annual rate reduction of \$50 million,<sup>81</sup> and customer credit reinvestment offsets of \$309 million. For a typical residential customer, this results in a decrease of approximately \$0.90 per month effective January 1, 2022, and refunds totaling approximately \$67.00 over the 2022-2023 period.

The Commission also approved a 9.35% ROE as fair and reasonable for the 2021 – 2023 period that will be the subject of DEV's next triennial review.<sup>82</sup>

### **APCo 2017-2019 Triennial Review**

As the Commission previously reported, on November 24, 2020, the Commission issued its Final Order in APCo's 2017-2019 triennial review, finding APCo earned an ROE of 9.48% for the 2017 – 2019 triennial period.<sup>83</sup> APCo and Consumer Counsel both filed notices of appeal of the Commission's decision to the Supreme Court of Virginia. On August 18, 2022, the Court issued its opinion affirming in part, reversing in part, and remanding the case to the Commission for further proceedings consistent with the Court's opinion.<sup>84</sup> On remand, the Commission will recalculate APCo's earned ROE for the

<sup>81</sup> Code § 56-585.1 A 8 c.

<sup>82</sup> *Application of Virginia Electric and Power Company, For a 2021 triennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2021-00058, 2021 S.C.C. Ann. Rept. 444, Final Order (November 18, 2021).

<sup>83</sup> *Application of Appalachian Power Company, For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2020-00015, 2020 S.C.C. Ann. Rept. 421, Final Order (November 24, 2020).

<sup>84</sup> *Appalachian Power Co. v. State Corp. Comm'n*, Record No. 210391 (Va. Aug. 18, 2022).

2017-2019 triennial period and determine whether APCo is entitled to a rate increase effective January 1, 2021, and by what amount, based on the Court's findings in its opinion. On August 22, 2022, the Commission issued an Order Initiating Remand Proceedings directing APCo to file interim rates for (a) base rates going forward, and (b) a rider designed to collect revenues not collected from January 1, 2021, through September 30, 2022, to be implemented October 1, 2022.<sup>85</sup>

APCo will file its next triennial review application on or before March 31, 2023, which will cover the period 2020-2022.

### **DEV 2021 Base Rate Financial Results**

During 2022, in response to requests from Staff pursuant to Code § 56-36, DEV provided certain analyses of its combined generation and distribution base rate financial results for calendar year 2021 on a regulatory accounting basis. Calendar year 2021 is the first year of DEV's second triennial review, which will be filed with the Commission in 2024 and will cover the period 2021 – 2023.

DEV analysis reflects a combined base rate generation and distribution ROE of 11.49% for 2021.<sup>86 87</sup>

<sup>85</sup> *Application of Appalachian Power Company, For a 2020 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2020-00015, Doc. Con. Cen. No. 220840166, Order Initiating Remand Proceedings (August 22, 2022).

<sup>86</sup> A 0.01 percentage point of ROE was worth approximately \$709,000 in combined generation and distribution annual revenues for DEV in 2021 provided by its customers through payment of their electric bills.

<sup>87</sup> This 2021 earned ROE is based on information provided by DEV. The Commission did not conduct an audit or investigation of the financial information provided by DEV. The Commission will conduct an audit of DEV's 2021 earnings as part of its 2024 triennial review. Interested parties will have an opportunity to participate in that proceeding. The 2021 earned ROE determined by the Commission in the 2024 triennial review may differ from the information provided by DEV and included in this report.

**DEV 2021 Earned Return on Equity**

<u>Generation</u>	<u>Distribution</u>	<u>Combined</u>
19.39%	4.49%	11.49%

DEV's reported 2021 combined generation and distribution unaudited earned ROE is above the 9.35% base ROE approved by the Commission in Case No. PUR-2021-00058 to be used for the 2021 – 2023 period. The following table provides a breakdown of DEV's 2021 earnings in both percentage points and revenues:

**DEV 2021 Earnings in Excess of or Below a 9.35% ROE  
(Revenues in Millions of Dollars)**

	<u>Generation</u>	<u>Distribution</u>	<u>Combined</u>
Percentage Points	10.04%	-4.86%	2.14%
Revenues	\$334.8	-\$182.7	\$152.1

As discussed above, Code § 56-585.1 A 8, as amended by the GTSA, states that certain costs are deemed fully recovered in the test period in which they were recorded per books by the company for financial reporting purposes. DEV stated it recorded costs in base rates related to severe weather events of \$45.5 million during 2021 that are subject to Code § 56-585.1 A 8. DEV also recorded costs in base rates related to coal combustion residual management of \$3.0 million during 2021 subject to Code § 56-585.1 A 8. These costs reduced DEV's reported 2021 earned ROE by 0.64 and 0.04 percentage points, respectively.

DEV did not defer any COVID-19-related expenses in 2021.

### **APCo 2021 Base Rate Financial Results**

During 2022, in response to requests from Staff pursuant to Code § 56-36, APCo provided certain analyses of its combined generation and distribution base rate financial results for calendar year 2021 on a regulatory accounting basis. Calendar year 2021 is the second year of APCo's second triennial review, which will be filed with the Commission in 2023 and will cover the period 2020 – 2022.

APCo's analysis reflects a combined base rate generation and distribution ROE of 5.38% for 2021.<sup>88 89</sup>

<b>APCo 2021 Earned Return on Equity</b>		
<u>Generation</u>	<u>Distribution</u>	<u>Combined</u>
11.16%	1.32%	5.38%

APCo's reported 2021 combined generation and distribution unaudited earned ROE is below the 9.20% base ROE approved by the Commission in Case No. PUR-2020-00015 to be used for the 2020 – 2022 period. The following table provides a breakdown of APCo's 2021 earnings above or below the 9.20% approved ROE in both percentage points and revenues:

<sup>88</sup> A 0.01 percentage point of ROE was worth approximately \$177,000 in combined generation and distribution annual revenues for APCo in 2021 provided by its customers through payment of their electric bills.

<sup>89</sup> This 2021 earned ROE is based on information provided by APCo. The Commission did not conduct an audit or investigation of the financial information provided by APCo. The Commission will conduct an audit of APCo's 2021 earnings as part of its 2023 triennial review. Interested parties will have an opportunity to participate in that proceeding. The 2021 earned ROE determined by the Commission in the 2023 triennial review may differ from the information provided by APCo and included in this report.

**APCo 2021 Earned Return on Equity**  
(Revenue in Millions of Dollars)

	<u>Generation</u>	<u>Distribution</u>	<u>Combined</u>
Percentage Points Above/(Below)			
9.20% ROE	1.96%	-7.88%	-3.82%
Revenue Sufficiency/(Deficiency)	16.2	(73.9)	(67.4)

Section 56-585.1 A 8 of the Code, as amended by the GTSA, directs the Commission to order increases to base rates necessary to provide the opportunity to fully recover the costs of providing the utility's services and to earn a fair combined rate of return if APCo's combined 2020-2022 earnings are more than 0.70 percentage points below the approved ROE of 9.20%.<sup>90</sup>

**APCo Combined Earnings**  
(Earnings in Millions)

	<u>2020</u>	<u>2021</u>	<u>Combined</u>
Net Deficiency (From Bottom of the Range)	57.4	51.4	108.8

As discussed above, Code § 56-585.1 A 8, as amended by the GTSA, states that certain costs are deemed fully recovered in the test period in which they were recorded per books by the company for financial reporting purposes. To the extent those costs cause APCo's combined return to fall below the bottom of the 0.7 percentage point range, they may be deferred and amortized over a future period. APCo stated it recorded costs in base rates related to severe weather events of \$11.7 million during 2021 that are subject to Code § 56-585.1 A 8. These costs reduced APCo's reported 2021 earned return by 0.05 percentage points.

<sup>90</sup> If the Commission finds, based on the evidence in the 2023 triennial review, APCo has a combined ROE more than 0.7 percentage points above the approved ROE, the Commission shall order refunds or consumer credit reinvestment offsets equal to the amount above the approved ROE plus 0.7 percentage points.

APCo also reported that it incurred and deferred \$2.1 million in COVID-19-related expenses in 2021, which consisted primarily of bad debt expense and protective materials and supplies.

#### **IV.**

### **CURRENT STATUS OF PROCEEDINGS UNDER THE REGULATION ACT**

The Regulation Act has undergone a number of amendments over the last few years resulting in numerous new programs, requirements, and rulemakings that apply to the Commonwealth's incumbent electric utilities and electric cooperatives. Since the Commission's 2021 Report, the Commission has conducted additional proceedings brought pursuant to the Regulation Act. This section provides a high-level summary of certain proceedings decided by the Commission since September 1, 2021, the date of the 2021 Report, or pending at the time of this report.<sup>91</sup>

#### **Renewable Energy Cases**

Below is a table summarizing the renewable energy cases decided by or pending with the Commission at the time of this report. A description of the proceedings follows the table.

<b><u>Company</u></b>	<b><u>Topic</u></b>	<b><u>Pending or Resolved?</u></b>	<b><u>Code Section</u></b>	<b><u>Case No.</u></b>
DEV	Regulations for a multi-family shared	Pending	§ 56-585.1:12	PUR-2020-00124

<sup>91</sup> Copies of the Commission's full orders, as well as access to publicly-filed case documents, are available at the Commission's website: <https://scc.virginia.gov/pages/Case-Information>, by clicking "Docket Search," and clicking "Search By Case Information," and entering the case number in the appropriate box.

	solar program			
DEV	Regulations for a shared solar program	Pending	§ 56-594.3	PUR-2020-00125
APCo	RPS-RAC	Resolved	§ 56-585.2 E	PUR-2021-00048
SCC	GATS Business Rules	Resolved	§ 56-585.5	PUR-2021-00064
APCo	Amherst Solar Facility	Resolved	§ 56-585.1:4 H	PUR-2021-00066
Axton Solar, LLC	Solar Project	Pending	§ 56-580 D	PUR-2021-00085
DEV, APCo	Accelerated Renewable Energy Buyers	Resolved	§ 56-585.5 G	PUR-2021-00089
DEV	US-3 Solar Projects (Update)	Resolved	§ 56-585.1 A 6	PUR-2021-00118
DEV	US-4 Solar Project (Update)	Resolved	§ 56-585.1 A 6	PUR-2021-00119
DEV	Rider TRG (Update)	Resolved	§ 56-577 A 5	PUR-2021-00138
DEV	Offshore wind generation facilities	Pending	§ 56-585.1:11, et al	PUR-2021-00142
DEV	2021 RPS Filing	Resolved	§ 56-585.5	PUR-2021-00146
DEV	Allocation of RPS-related costs	Pending	§ 56-585.5	PUR-2021-00156
APCo	2021 RPS Filing	Resolved	§ 56-585.5	PUR-2021-00206
DEV	Rider PPA	Resolved	§ 56-585.1 A 5	PUR-2021-00248

DEV	Rider RPS	Resolved	§ 56-585.1 A 5	PUR-2021-00282
SCC	GATS business rules; revisions	Pending	§ 56-585.5	PUR-2022-00045
DEV	GATS Business Rules; calculating RECs for a hybrid facility	Resolved	§ 56-585.5	PUR-2022-00075
DEV	Rider TRG (Update)	Pending	§ 56-577	PUR-2022-00101

### Decisions

- APCO RPS RAC (PUR-2021-00048). The Commission approved APCo's application to revise its RPS-RAC to recover residual, incremental costs related to APCo's participation in its voluntary RPS program that was in place prior to the passage of the VCEA. (Final Order, December 6, 2021). §§ 56-585.1 A 5 d and 56-585.2 E of the Code.
- GATS Business Rules: Registration and retirement of Virginia-eligible renewable energy certificates (PUR-2021-00064). The Commission revised its business rules concerning the registration and retirement of Virginia-eligible RECs in the PJM-EIS Generation Attribute Tracking System ("GATS"). This revision followed the Commission's then-recent update to these rules to reflect the categories of eligible generation sources for Virginia-qualified RECs in 2021-2024 under Virginia's mandatory RPS statute (§ 56-585.5). This docket was established to invite comment on that update and resulted in further revisions to these business rules. (Final Order, September 30, 2021). § 56-585.5 C of the Code.
- APCo Amherst Solar Facility (PUR-2021-00066). The Commission approved a prudence determination for APCo's proposed 4.875 MW Amherst Solar Facility. APCo did not seek cost recovery for the facility in this case. (Final Order, February 18, 2022). § 56-585.1: 4 H of the Code.
- Rules related to Accelerated Renewable Energy Buyers (PUR-2021-00089). The Commission adopted regulations implementing the provisions of Code § 56-585.5 G, enacted as part of the VCEA. Section 56-585.5 G permits certain customers of APCo and DEV to be certified as accelerated renewable energy buyers, and to be exempted from some or all of the RPS costs of these utilities. (Final Order, December 10, 2021). § 56-585.5 G of the Code.



- DEV US-3 Solar Projects RAC (PUR-2021-00118). The Commission approved DEV's annual update to its RAC for cost recovery associated with its US-3 Solar Projects (the Colonial Trail West Solar Facility, an approximately 142 MW solar generating facility located in Surry County, Virginia, and the Spring Grove 1 Solar Facility, an approximately 98 MW solar facility located in Surry County, Virginia). (Final Order, March 24, 2022). § 56-585.1 A 6 of the Code.
- DEV US-4 Solar Project RAC (PUR-2021-00119). The Commission approved DEV's annual update to its US-4 RAC for cost recovery associated with its Sadler Solar Facility (an approximately 100 MW utility-scale solar photovoltaic generating facility located in Greensville County, Virginia). (Final Order, March 18, 2022). § 56-585.1 A 6 of the Code.
- DEV Rider TRG Update (PUR-2021-00138). The Commission reviewed DEV's annual update of its previously approved 100% renewable tariff, Rider TRG. The update was filed on July 1, 2021. The update requested no change to the approved rate or to the portfolio of renewable resources providing service under Rider TRG. Rider TRG limits the ability of customers in DEV's service territory to purchase renewable energy from competitive suppliers under Code § 56-577 A 5. The Commission exercised its discretion not to address participant levels, and not to modify the filed rate, until Rider TRG has been in effect for a longer period of time in order to gain additional experience with its implementation. (Final Order, December 8, 2021). *See also below*, Case No. PUR-2022-00101, DEV's 2022 Rider TRG update filing. § 56-577 A 5 of the Code.
- DEV 2021 RPS Filing (PUR-2021-00146). The Commission reviewed DEV's 2021 RPS Filing which included (i) DEV's RPS Development Plan (encompassing proposed development of new solar, onshore wind, and energy storage resources); (ii) requests for approval to construct 13 new utility-scale projects and to enter into 24 new PPAs; and (iii) DEV's request for approval of revised Rider CE. The Commission (i) found that, for the limited purpose of filing its second annual RPS plan under Code § 56-585.5 D 4, DEV's plan was reasonable and prudent; (ii) approved the utility-scale projects and PPAs proposed by the Company; and (iii) approved revised Rider CE. In total, the Commission approved 857 MW of new solar generation capacity and 103 MW of energy storage capacity. The Commission directed DEV to continue filing a consolidated bill analysis in its RPS Filings. The Commission also established additional directives regarding DEV's modeling in its subsequent RPS Plans (Final Order, March 15, 2022). §§ 56-580 D, 56-46.1, 56-585.1 A 6, and 56-585.1:4 of the Code.
- APCO 2021 RPS Filing (PUR-2021-00206). The Commission reviewed APCo's 2021 RPS Filing where APCo estimates that by 2040, it may have 2,736 MW (nameplate) of solar, 750 MW (nameplate) of onshore wind, and 2,937 MW (nameplate) of energy storage, through a mix of company-owned resources and

PPAs, to meet the requirements of the VCEA. The Commission found that: (i) APCo's RPS Development Plan is reasonable and prudent for the limited purpose of its second annual plan; (ii) approved APCo's requests for approval of cost recovery for 313.9 MW of solar and onshore wind capacity, including both company-owned resources and PPAs; (iii) granted APCo's request for a prudency determination for 238.9 MW of solar capacity, including company-owned resources and PPAs; (iv) approved the recovery of projected costs of RECs purchased in the PJM REC market; and (v) approved RACs for cost recovery. The Commission directed APCo to continue filing a consolidated bill analysis in its RPS Filings. The Commission also established additional directives regarding APCo's modeling in its subsequent RPS Plans. (Final Order, July 15, 2022) § 56-585.5 of the Code.

- DEV Rider PPA (PUR-2021-00248). The Commission approved DEV's application for approval of a rate adjustment clause, designated Rider PPA, to recover projected and actual costs associated with certain PPAs for the energy, capacity, ancillary services, and RECs owned by third parties. (Final Order, August 3, 2022). § 56-585.1 A 5 d of the Code.
- DEV Rider RPS (PUR-2021-00282). The Commission approved revisions to DEV's Rider RPS. Rider RPS recovers the Company's projected and actual costs related to compliance with the mandatory RPS program established in the VCEA. (Final Order, June 30, 2022). § 56-585.1 A 5 d of the Code.
- DEV - GATS Business Rules; calculating RECs for a hybrid facility (PUR-2022-00075). DEV sought an exception to the GATS Business Rules for a combination solar generator/energy storage facility (Scott Solar/BESS-3). DEV requested that the Commission direct GATS to calculate the RECs for this hybrid facility based on the amount of energy that enters the BESS-3 system as charging energy, rather than the amount of energy discharged by BESS-3 to the grid. The Commission granted DEV's petition for exception in this matter, noting that (i) no comments or requests for hearing concerning it had been filed by interested parties or the Staff, and (ii) the exception granted may be subject to modification in the future as experience is gained with these types of facilities. (Order Granting Exception to GATS Business Rules, August 12, 2022). § 56-585.5 C of the Code, and the Commission's GATS Business Rules.

### Pending Cases

- Regulations for a multi-family shared solar program (PUR-2020-00124) (DEV): DEV requests approval of an administrative charge associated with the Company's participation in a program affording eligible multi-family customers of investor-owned utilities the opportunity to participate in shared solar projects.<sup>92</sup> (Case filed September 1, 2021). § 56-585.1:12 of the Code.

<sup>92</sup> KU/ODP also has a multi-family shared solar program but did not request an administrative charge be set for its program.

- Regulations for a shared solar program (PUR-2020-00125) (DEV): The Commission issued a Final Order establishing the minimum bill, which may be modified over time, and set the bill credit rate for participants in DEV's shared solar program under Code § 56-594.3. The Commission is currently considering a petition for reconsideration filed by two respondents. (Order Granting Reconsideration, July 27, 2022) § 56-594.3 of the Code.
- Axton Solar Project (PUR-2021-00085). Axton seeks Commission approval to construct a 201.1 MW solar generating facility to be constructed in Henry and Pittsylvania Counties. The Application was initially filed on April 28, 2021. Axton subsequently filed with the Commission an amended application and supporting documents. (Amended application filed March 31, 2022). §§ 56-46.1 and 56-580 D of the Code.
- DEV offshore wind generation facilities (PUR-2021-00142). The Commission issued a Final Order approving requested cost recovery associated with DEV's proposed 2,587 MW CVOW Project to be located in a federal lease area off the coast of Virginia Beach, Virginia. The project consists of 176 wind turbines, each designed to generate 14.7 MW. The project is expected to have a capital cost of \$9.8 billion and will likely be the largest capital investment, and single largest project, in the history of Dominion Energy Virginia. The Commission also approved the electric interconnection and transmission facilities to connect the CVOW Project reliably with the existing transmission system. The Commission issued an Order Granting Reconsideration for purposes of retaining jurisdiction over the case in response to a Petition for Limited Reconsideration filed by DEV. (Final Order, August 5, 2022; Order Granting Reconsideration, August 24, 2022). §§ 56-585.1, 56-585.1:11, 56-46.1, 56-265.1 of the Code.
- DEV allocation of RPS-related costs (PUR-2021-00156). This Commission docket was established to consider issues related to DEV's recovery of its RPS related costs, and the jurisdictional and class allocation of those costs among its customers. (Case filed December 22, 2021). § 56-585.5 of the Code.
- GATS business rules (PUR-2022-00045). This Commission proceeding will consider potential revisions to the Commission's GATS business rules ("GATS Business Rules"). In particular, the Commission will consider (i) incorporating language to establish a self-certification process for resources seeking to qualify as low-income projects pursuant to Code § 56-585.5 C; and (ii) additional issues related to the GATS Business Rules. (Case docketed April 14, 2022). § 56-585.5 C of the Code.
- DEV Rider TRG (PUR-2022-00101). DEV seeks approval of an annual update of its 100 percent renewable energy tariff, designated Rider TRG whereby participating customers can voluntarily elect to purchase 100 percent of their

energy grid capacity needs sourced from renewable energy resources. (Case filed July 1, 2022). §§ 56-577 A 5 and 56-234 of the Code.

### Environmental Cases

Below is a table summarizing the environmental cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

<u>Company</u>	<u>Topic</u>	<u>Pending or Resolved?</u>	<u>Code Section</u>	<u>Case No.</u>
DEV	Rider E (Update)	Resolved	§ 56-585.1 A 5	PUR-2021-00013
DEV	Rider CCR	Resolved	§ 10.1- 1402.03	PUR-2021-00045
DEV	Rider RGGI Update	Resolved	§ 56-585.1 A 5	PUR-2021-00281
APCo	Environmental RAC	Pending	§ 56-585.1 A 5	PUR-2022-00001
DEV	Rider E (Update)	Pending	§ 56-585.1 A 5	PUR-2022-00006
DEV	Rider CCR	Pending	§ 10.1- 1402.03	PUR-2022-00033
DEV	Rider RGGI (Suspension)	Resolved	§ 56-585.1 A 5	PUR-2022-00070

### Decisions

- DEV Rider E (PUR-2021-00013). The Commission approved DEV's annual update to its Rider E to recover costs incurred to comply with state and federal environmental regulations at the Company's Chesterfield, Bremono, Clover, and Mt. Storm Power Station. (Final Order September 23, 2021). § 56-585.1 A 5 e of the Code.
- DEV Rider CCR (PUR-2021-00045). The Commission approved DEV's application seeking approval of Rider CCR to recover costs related to the removal of coal combustion residual from DEV's Bremono, Chesterfield, and Possum Point Power Stations and Chesapeake Energy Center. Such approval was made subject to certain cost allocations, reporting, and filing requirements applicable to future Rider CCR updates. (Final Order, October 6, 2021). §§ 56-585.1 A 5 e and 10.1-1402.03 of the Code.
- DEV Rider RGGI Update (PUR-2021-00281). On December 26, 2021, DEV filed an annual update of the Company's rate adjustment clause, Rider RGGI. This

Rider recovers projected and actual costs related to the purchase of allowances through the RGGI market-based trading program for carbon dioxide emissions. DEV subsequently sought, and the Commission granted, the Company's motion to withdraw the update filing, subject to future update and filing requirements. (Order Granting Motion, April 1, 2022). See, also, related docket, Case No. PUR-2022-00070. § 56-585.1 A 5 e of the Code.

- DEV Rider RGGI Suspension (PUR-2022-00070). The Commission approved DEV's May 5, 2022, petition to suspend Rider RGGI and to reset the Rider RGGI Projected Cost Recovery Factor to \$0.00/kWh, effective July 1, 2022. The Commission further authorized DEV to recover RGGI compliance costs that are incurred up through July 31, 2022 (and ultimately approved by the Commission), and which have not been recovered prior to the suspension of the Rider through DEV's base rates for generation services in effect during the period incurred. This docket will remain open for future proceedings, including but not limited to an actual cost true-up proceeding to review incurred allowance costs that have been recovered through Rider RGGI. (Order Granting Petition, June 15, 2022). § 56-585.1 A 5 e of the Code.

### Pending Cases

- APCo Environmental RAC (PUR-2022-00001). APCo seeks Commission approval to recover costs through its existing rate adjustment clause, the E-RAC, related to capital investments and operations and maintenance compliance expenses that are necessary to comply with state and federal environmental regulations. (Case filed March 18, 2022). § 56-585.1 A 5 e of the Code.
- DEV Rider E Update (PUR-2022-00006). DEV seeks an update to its Rider E to recover costs incurred to comply with state and federal environmental regulations at the Company's Chesterfield, Bremono, Clover, and Mt. Storm Power Stations. (Case filed January 25, 2022). § 56-585.1 A 5 e of the Code.
- DEV Rider CCR (PUR-2022-00033). DEV seeks to update its Rider CCR RAC. (Case filed February 28, 2022) §§ 56-585.1 A 5 e and 10.1-1402.03 of the Code.

### Retail Access Cases

Below is a table summarizing the retail access cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

<b>Company</b>	<b>Topic</b>	<b><u>Pending or Resolved?</u></b>	<b>Code Section</b>	<b>Case No.</b>
DEV	Aggregation Pilot	Continued	Chapter 796 of the 2020 Virginia Acts of Assembly	PUR-2020-00114
DEV	RPS Cost Allocation Proceeding	Resolved	§ 56-585.5 F	PUR-2020-00164

### Decisions

- DEV RPS Cost Allocation to shopping customers (PUR-2020-00164). In this proceeding, DEV sought approval of its proposal to recover the non-bypassable RPS costs associated with Code § 56-585.5 F, net of benefits, from customers electing to take electric supply service from a competitive service provider. However, as part of the Commission's 2020 RPS Final Order, the Commission adopted the general RAC framework for the recovery of RPS-related costs as proposed by Staff, and as refined by Dominion, under which the Company will recover costs of resources approved under the VCEA, including the non-bypassable charge, in a single rate mechanism. As such, the Commission determined in this proceeding that Rider NBC (proposed by DEV) is no longer needed. Issues related to distinguishing between RPS Program compliance costs and other costs, as well as class cost allocation methodology and ARBs, will be addressed in appropriate subsequent proceedings, including Case No. PUR-2021-000156, discussed *supra*. (Final Order, September 23, 2021). §§ 56-585.5 and 56-585.1:11 of the Code.

### Continued Cases

- DEV Aggregation Pilot (PUR-2020-00114). Pursuant to legislation passed by the 2020 General Assembly, the Commission established a pilot program through which non-residential customers that had previously sought to aggregate their load pursuant to Code § 56-577 A 4 in DEV's service territory would be permitted to purchase electric energy from a competitive service provider, subject to an overall cap of 200 MW of load participating in the Pilot. On June 17, 2022, the Commission issued an Order (i) finding that the Pilot should continue and remain open to any non-residential customer who is eligible for, and wishes to participate in, the Pilot; and (ii) continuing the case. Chapter 796 of the 2020 Virginia Acts of Assembly.

### **Energy Efficiency Cases**

Below is a table summarizing the energy efficiency cases decided by or pending before the Commission at the time of this report. A description of the proceedings

follows the table. Both APCo (a Phase I Utility) and DEV (a Phase II Utility) estimate that they are on target to implement energy efficiency programs and measures to achieve the total annual energy savings targets for 2023 as specified by Code § 56-596.2.

<b><u>Company</u></b>	<b><u>Topic</u></b>	<b><u>Pending or Resolved?</u></b>	<b><u>Code Section</u></b>	<b><u>Case No.</u></b>
DEV	Evaluation, Measurement and Verification (EM&V) Methodologies	Resolved	§ 56-585.1 A 5	PUR-2020-00156
DEV	DSM RAC and Phase IX Programs	Resolved	§ 56-585.1 A 5	PUR-2020-00274
APCo	Energy Efficiency RAC and New Program	Resolved	§ 56-585.1 A 5	PUR-2021-00236
DEV	DSM RAC and Phase X Programs	Resolved	§ 56-585.1 A 5	PUR-2021-00247

### Decisions

- DEV EM&V "Dashboard" proceeding (PUR-2020-00156). This Commission proceeding established guidelines for DEV's evaluation, measurement, and verification ("EM&V") reports related to the Company's DSM programs. DSM programs include energy efficiency and peak-shaving programs. EM&V reports address energy savings produced by such programs. (Final Order, October 27, 2021). § 56-585.1 A 5 of the Code.
- APCo Energy Efficiency RAC and New Program (PUR-2021-00236). The Commission approved APCo's application for approval of the continued implementation of its rate adjustment clause, the EE-RAC, to recover the costs of its existing portfolio of DSM programs, as well as for approval of one new pilot program, the Commercial and Industrial Custom Pilot Program. (Final Order, July 15, 2022). §§ 56-585.1 A 5 and 56-596.2 of the Code.
- DEV DSM RAC and Phase IX Programs (PUR-2020-00274). The Commission approved DEV's application seeking approval of its Phase IX DSM programs, including 11 new energy efficiency and demand response programs, the expansion and modification of certain existing programs, and approval of cost recovery through associated RACs. The Commission's approval was made subject to certain cost caps together with requirements for future DSM filings. (Final Order, September 7, 2021). § 56-585.1 A 5 of the Code.

- DEV DSM RAC and Phase X Programs (PUR-2021-00247). The Commission approved, among other things, (i) DEV's proposed Phase X DSM Programs including proposed enhancement and expansion of certain previously approved programs; (ii) reorganization and consolidation of the DEV's DSM Portfolio; and (iii) cost recovery through associated RACs. § 56-585.1 A 5 of the Code. (Final Order, August 10, 2022). § 56-585.1 A 5 of the Code.

### **Distribution Cases**

Below is a table summarizing the distribution cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

<b><u>Company</u></b>	<b><u>Topic</u></b>	<b><u>Pending or Resolved?</u></b>	<b><u>Code Section</u></b>	<b><u>Case No.</u></b>
APCo	Broadband Project	Resolved	§ 56-585.1:9	PUR-2020-00259
DEV	Rider GT	Resolved	§ 56-585.1 A 6	PUR-2021-00083
DEV	Rider U (Update)	Resolved	§ 56-585.1 A 6	PUR-2021-00110
DEV	Grid Transformation Plan	Resolved	§ 56-585.1 A 6	PUR-2021-00127
APCo	Broadband Project	Pending	§ 56-585.1:9	PUR-2022-00020
DEV	Broadband Project	Pending	§§ 56-585.1 A 6 and 56-585.1:9	PUR-2022-00062
SCC	Interconnection of Distributed Energy Resources	Pending	Pursuant to Final Order in Case No. PUR-2021-00127	PUR-2022-00073
DEV	Rider U (Update)	Pending	§ 56-585.1 A 6	PUR-2022-00089

### **Decisions**

- APCo Broadband Project (PUR-2020-00259). The Commission approved APCo's petition seeking approval of a rate adjustment clause, the BC-RAC, for cost recovery of providing broadband capacity through its previously



approved Grayson County broadband pilot. (Final Order, October 1, 2021). §§ 56-585.1 A 6 and 56-585.1:9 of the Code.

- DEV Rider GT (PUR-2021-00083). The Commission approved DEV's application for a new rate adjustment clause, designated Rider GT, to recover certain costs of the Company's grid modernization plan that the Commission previously approved in Case Nos. PUR-2018-00100 and PUR-2019-00154. (Final Order, May 13, 2022). § 56-585.1 A 6 of the Code.
- DEV Rider U Strategic Undergrounding Program (PUR-2021-00110). The Commission approved DEV's annual update to Rider U. (Final Order, March 9, 2022). § 56-585.1 A 6 of the Code.
- DEV Grid Transformation Plan (PUR-2021-00127). The Commission approved DEV's third grid modernization proposal, which included requested approval of \$669.4 million of capital investments and \$109.5 million of operations and maintenance expense. The Commission's approval of these projects was made subject to certain contingencies, cost caps, and reporting requirements. (Final Order, January 7, 2022). § 56-585.1 A 6 of the Code.

#### Pending Cases

- APCo Broadband Project (PUR-2022-00020). APCo seeks approval of a new project to make available broadband capacity to an Internet Service Provider in parts of Bland County and Montgomery County and to revise its BC-RAC to reflect actual costs of providing broadband capacity under the Company's existing broadband project as well as the new project. (Case filed June 8, 2022) §§ 56-585.1 A 6 and 56-585.1:9 of the Code.
- DEV Broadband Project (PUR-2022-00062). DEV seeks approval to install middle-mile broadband capacity in certain unserved areas of Virginia, including the Northern Neck region and the Thomas Jefferson Planning District. The Company also seeks approval to revise rate adjustment clause Rider RBB, for the rate year commencing December 1, 2022, through November 20, 2023. (Case filed May 5, 2022). §§ 56-585.1 A 6 and 56-585.1:9 of the Code.
- Interconnection of Distributed Energy Resources (PUR-2022-00073). This Commission docket was established (pursuant to the Commission's Final Order in Case No. PUR-2021-00127) to address obstacles to the interconnection of distributed energy resources on electric utilities' distribution systems. (Docket established May 24, 2022).
- DEV Rider U Strategic Undergrounding Program (PUR-2022-00089). DEV seeks an annual update to Rider U. (Case filed June 13, 2022). § 56-585.1 A 6.

### **Integrated Resource Plan Cases**

Below is a table summarizing the IRP cases decided by or pending before the Commission at the time of this report. A description of each proceeding follows the table.

<b><u>Company</u></b>	<b><u>Topic</u></b>	<b><u>Pending or Resolved?</u></b>	<b><u>Code Section</u></b>	<b><u>Case No.</u></b>
DEV	Integrated Resource Plan Update	Resolved	§ 56-597 <i>et seq.</i>	PUR-2021-00201
APCo	Integrated Resource Plan	Pending	§ 56-597 <i>et seq.</i>	PUR-2022-00051

### **Decisions**

- **DEV IRP Update (PUR-2021-00201).** On September 1, 2021, DEV filed with the Commission the Company's 2021 update to its 2020 Integrated Resource Plan. The Commission found this update legally sufficient and accepted it for filing. The Commission stated, however, that such acceptance does not express approval of the magnitude or specifics of Dominion's future spending plans. (Final Order, October 28, 2021). § 56-599 of the Code.

### **Pending Cases**

- **APCo IRP (PUR-2022-00051).** APCo has filed its 2022 IRP. Per the filing, the IRP, among other things, incorporates requirements of the VCEA related to resource acquisition, includes the most recent load forecast consistent with the VCEA, and incorporates updated renewable costs. The Commission will hear this case starting October 24, 2022. (Case filed April 29, 2022). § 56-599 of the Code.

### **Financial Review Cases**

Below is a table summarizing the financial review cases decided by or pending before the Commission at the time of this report.

<b><u>Company</u></b>	<b><u>Topic</u></b>	<b><u>Pending or Resolved?</u></b>	<b><u>Code Section</u></b>	<b><u>Case No.</u></b>
APCo	Triennial Review	Pending	§ 56-585.1 A	PUR-2020-00015

DEV	Triennial Review	Resolved	§ 56-585.1 A	PUR-2021-00058
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### Decisions

- DEV Triennial Review (PUR-2021-00058). On March 31, 2021, DEV filed its application for the Commission's triennial review of the Company's rates, terms, and conditions for the provision of generation, distribution, and transmission services. The Commission Order in this case approved a stipulation that principally provided (i) customer refunds totaling \$330 million; and (ii) the statutory maximum annual rate reduction of \$50 million. (Final Order, November 18, 2021). § 56-585.1 A 3 of the Code.

### Pending

- APCo Triennial Review (PUR-2020-00015). The Commission, among other things, determined that in the 2017-2019 triennial period under review, Appalachian earned 6 basis points above the fair ROE, which equates to approximately \$1,992,987 in excess earnings for such period. Upon appeal to the Supreme Court of Virginia, on August 18, 2022, the Court affirmed in part, reversed in part, and remanded the case to the Commission for further proceedings consistent with the Court's opinion. (Final Order, November 24, 2020; Order on Reconsideration, March 26, 2021; Notice of Appeal, April 5, 2021; Petition of Appeal, July 6, 2021; Opinion of the Supreme Court of Virginia, Aug. 18, 2022; Order Initiating Remand Proceedings, August 22, 2022). § 56-585.1 A 3 of the Code.

See also, Section III, Base Rate Financial Results, of this report for details on these cases.

### Miscellaneous Cases

Below is a table summarizing miscellaneous cases decided by or pending before the Commission at the time of this report. A description of the proceedings follows the table.

<b>Company</b>	<b>Topic</b>	<b><u>Pending or Resolved?</u></b>	<b>Code Section</b>	<b>Case No.</b>
DEV	Universal Service Fee/Rider PIPP	Pending	§ 56-585.6	PUR-2020-00109
APCo	Universal Service Fee/Rider PIPP	Pending	§ 56-585.6	PUR-2020-00117
DEV	Rider SNA	Resolved	§ 56-585.1 A 6	PUR-2021-00229

## Decisions

- DEV Rider SNA (PUR-2021-00229). The Commission approved DEV's application for a RAC, Rider SNA, to recover the Company's costs associated with (i) preparing petitions to the Nuclear Regulatory Commission to extend the operating licenses of Dominion's Surry Units 1 and 2 and North Anna Units 1 and 2; and (ii) the projects reasonably appropriate to upgrade or replace systems and equipment deemed to be necessary to operate these units safely and reliably. (Final Order, July 1, 2022). § 56-585.1 A 6 of the Code.

## Pending

- Percentage of Income Payment Program (DEV: PUR-2020-00109; APCo: PUR-2020-00117). The VCEA requires the Commission to determine the universal service fees to be collected from customers of APCo and DEV to fund the Percentage of Income Payment Program ("PIPP") established by statute. PIPP eligible utility customers are persons or households whose income does not exceed 150 percent of the federal poverty level.<sup>93</sup> § 56-585.6 of the Code.

The Commission authorized DEV and APCo to begin collecting a universal service fee from the statutorily designated customers as soon as practicable, effective for service rendered on and after September 1, 2021, at a level designed to fund the estimated start-up costs of Department of Social Services ("DSS") needed to establish the PIPP. The Commission also continued the proceedings to determine the rates, terms, and conditions of a "non-bypassable universal service fee" to be charged to DEV and APCo's customers to fund the PIPP, instructing both utilities to file within 60 days after DSS rules or guidelines are published. (Orders, July 29, 2021). To date, DSS has not published these rules or guidelines. Consequently, neither APCo nor DEV has been required to make additional filings of their respective PIPP dockets, as otherwise required by the Commission's July 20, 2021 Orders.

## V. STAKEHOLDER MEETINGS

The Staff has been involved in multiple stakeholder meetings over the last year as required by recent legislation. Staff has attended these meetings as a resource to provide technical information or background on Commission procedures and proceedings. The following is a list of meetings the Staff has attended:

<sup>93</sup> Code § 56-576.

- Energy Efficiency Meetings: (required by SB 966,<sup>94</sup> SB 1605,<sup>95</sup> and HB 2293<sup>96</sup>) held on November 8, 2021, and April 25, 2022, for APCo; and, August 31, 2021, November 17, 2021, February 22, 2022, and, June 21, 2022, for DEV.
- Transportation Electrification Stakeholder Group Meetings: (required by HB 2282<sup>97</sup>) held on October 21, 2021, November 4, 2021, November 18, 2021, December 2, 2021, and December 16, 2021.
- Program to Encourage and Expedite Electric Utility Infrastructure Investments Stakeholder Meetings: (required by HB 894<sup>98</sup>) held on June 23, 2022, July 5, 2022, July 13, 2022, and July 25, 2022.
- Renewable Energy Facilities Lifecycle Task Force Meeting: (required by SB 499 and HB 774<sup>99</sup>) The Commission is in the process of selecting a third-party facilitator for this task force. Task force meetings are expected to occur in the fall of 2022.
- Shared Solar Stakeholder Workgroup for APCo and Kentucky Utilities: (required by SB 660<sup>100</sup>) The Commission is in the process of selecting a third-party facilitator for this work group. Stakeholder workgroup meetings are expected to occur in the fall of 2022.

## VI. PJM / FERC STATUS

DEV and APCo are members of PJM, a regional transmission organization that coordinates the movement of wholesale electricity across all or parts of the District of

<sup>94</sup> 2018 Va. Acts ch. 296.

<sup>95</sup> 2019 Va. Acts ch. 398.

<sup>96</sup> 2019 Va. Acts ch. 397.

<sup>97</sup> 2021 Va. Acts, Special Session I, ch. 268.

<sup>98</sup> 2022 Va. Acts ch. 488.

<sup>99</sup> 2022 Va. Acts chs. 69 and 70.

<sup>100</sup> 2022 Va. Acts ch. 591.

Columbia and 13 states.<sup>101</sup> Below is a list of recent matters involving PJM and FERC that may impact Virginia:

- In June 2018, FERC invalidated PJM's capacity market design. FERC ruled that state-subsidized resources were artificially and improperly suppressing market prices.<sup>102</sup> Following a FERC technical conference on wholesale market reform in March 2021, during which the FERC Chairman indicated FERC would take action to address deficiencies in the Minimum Offer Price Rule ("MOPR") (including concerns that the MOPR could cause undue burden to resources supported by state policies) by year-end if PJM did not do so, PJM initiated an accelerated stakeholder process, or Critical Issue Fast Path. On July 30, 2021, PJM filed its replacement MOPR proposal in Docket No. ER21-2582. On September 29, 2021, FERC allowed PJM's proposal to become effective by operation of law, stating that "[t]he Commission did not act on PJM's filing because the Commissioners are divided two against two as to the lawfulness of the change."<sup>103</sup> Several parties, including other state commissions, have appealed FERC's order.
- In April 2021, DEV announced that it would elect to procure its capacity through the Fixed Resource Requirement alternative to the PJM capacity market auction.<sup>104</sup> A competitive power supplier challenged PJM's approval of this election. FERC rejected this challenge on July 15, 2021.
- In September 2020, FERC issued Order 2222, which adopted reforms to allow distributed energy resource aggregations to participate in the regional transmission organization markets.<sup>105</sup> PJM made its compliance filing on February 1, 2022, outlining how it will comply with Order 2222.<sup>106</sup>
- On June 30, 2021, the transmission owners ("Transmission Owners") in the PJM region submitted a consolidated filing at FERC that proposed revisions to the PJM Tariff to provide Transmission Owners with the option to elect to fund the capital

<sup>101</sup> Specifically, the 13 states consist of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia.

<sup>102</sup> *Calpine Corp. v. PJM Interconnection, LLC*, 163 FERC ¶ 61,236 (2018).

<sup>103</sup> *PJM Interconnection L.L.C.*, Notice of Filing Taking Effect by Operation of Law, Docket No. ER21-2582 (Sep. 29, 2021).

<sup>104</sup> APCo has always chosen the PJM Fixed Resource Requirement alternative since joining PJM in 2004.

<sup>105</sup> *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 172 FERC ¶ 61,247 (September 19, 2020).

<sup>106</sup> *PJM Interconnection, L.L.C.*, Docket No. ER22-962.

cost of network upgrades necessary to accommodate generator interconnections.<sup>107</sup> The proposed revisions would allow the PJM Transmission Owners the opportunity to earn a return of and on the costs of network upgrades that are necessary to interconnect generation resources to the PJM transmission system. Under the current tariff, those costs must be paid by the interconnecting generator. FERC set this matter for paper hearing on November 19, 2021, and parties filed briefs in January 2022.

- On July 19, 2021, PJM filed a brief in a Pennsylvania federal court case challenging the Pennsylvania Public Utility Commission's ("PAPUC") rejection of a transmission line. Following the PAPUC's order, the developer (TransSource) sued the PAPUC in federal court, alleging that the PAPUC's decision violated the dormant Commerce Clause and was preempted by PJM's earlier determination of need. PJM claims that the PAPUC does not have authority to reject a line on the grounds that the line is not needed where PJM has concluded the line is necessary under mechanisms approved by FERC. On August 26, 2021, the District Court denied in part PAPUC's motion to dismiss, finding that TransSource had standing to file the action. The court abstained on the remainder of the motion, electing to wait until an appeal in state court was completed. On May 6, 2022, the Pennsylvania Commonwealth Court upheld the PAPUC's order rejecting the line. The District Court lifted its stay of the proceedings on May 17, 2022, and discovery in the case is ongoing. The current schedule calls for discovery to continue until January 2023, with dispositive motions and supporting briefs due on or before February 15, 2023.
- On April 21, 2022, FERC issued a Notice of Proposed Rulemaking ("NOPR") seeking comment on the potential need for change to existing regulations on electric regional transmission planning, cost allocation, and generator interconnection processes.<sup>108</sup> Comments were due by August 17, 2022.
- On June 14, 2022, PJM proposed changes to its generator interconnection process, seeking to change from a first-come, first-served process to a first-ready, first-served process, to give priority to projects that are more likely to be completed.<sup>109</sup> PJM claims this will help alleviate significant queue backlogs.
- On June 16, 2022, FERC issued a NOPR, proposing changes to its interconnection procedures to address interconnection queue backlogs, improve

<sup>107</sup> *PJM Tariff Revisions to Implement Transmission Owners' Funding of Network Upgrades*, Docket No. ER21-2282 (June 30, 2021).

<sup>108</sup> *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, 179 FERC ¶ 61,028 (Apr. 21, 2022).

<sup>109</sup> *PJM Interconnection, L.L.C.*, Docket No. ER22-2110.

certainty, and prevent undue discrimination for new technologies.<sup>110</sup> Comments on the NOPR are due October 13, 2022.

## VII. CONSUMER EDUCATION

The Regulation Act, specifically § 56-592 of the Code, directs the Commission to establish, implement, and maintain a consumer education program to provide retail customers with information regarding energy conservation and efficiency, DSM, demand response, and renewable energy. The Virginia Energy Sense ("VES") consumer education program is in its twelfth year of building awareness of the value of energy efficiency.

Highlighted VES accomplishments from the last year (July 1, 2021 – June 30, 2022) are as follows:

- VES' new contract team comprehensively analyzed communications about consumer energy in Virginia and developed a messaging framework to guide the program's strategies and activities.
- To measure public attitudes on energy conservation, VES conducted an online quantitative survey, which garnered responses from 1,208 Virginia residents. Survey results suggested that awareness of the VES program remains high; approximately 1 in 4 respondents recalled recently seeing or hearing messages from or about VES.
- VES secured 10 news stories about the program and its energy saving tips in 10 media outlets, including TV stations in Richmond, Charlottesville, and Norfolk.
- Following a pandemic-driven pause in community outreach events, VES exhibited at three in-person events in spring 2022. The events' total attendance was approximately 75,400.
- VES ran two statewide radio advertising campaigns that collectively generated over 9.7 million impressions. The campaigns ran in October 2021 and April –

<sup>110</sup> *Improvements to Generator Interconnection Procedures and Agreements*, Docket No. RM22-14, 179 FERC ¶ 61,194 (June 16, 2022).



May 2022 and drove a 31.5% and a 16.3% increase in web visits, respectively. VES also created 36 public service announcements for radio, tailored to the six regions of Virginia, that collectively garnered around 120,000 impressions as of May 31, 2022.

- A VES advertising campaign on Facebook and Instagram that ran from May 4 to June 1, 2022, garnered over 2.8 million impressions and drove 12,627 visits to VES' new "10 ways to save" landing page, shown below:

**VALUE YOUR POWER**  
Virginia Electric & Power

## 10 Ways Virginia Residents Can Save Energy and Money

Who doesn't want to save on their energy bill? Check out these free or inexpensive steps you can take to make a dent in your energy use — and put money back in your wallet.

- 1 Turn off lights
- 2 Install LED bulbs
- 3 Unplug small appliances
- 4 Use a programmable thermostat
- 5 Buy ENERGY STAR products
- 6 Replace air filters
- 7 Cool off with ceiling fans
- 8 Use window shades
- 9 Check for incentives
- 10 Conduct an energy audit

### 1 Turn off lights

Take advantage of the daylight by turning off lights when you don't need them. Keeping the lights off when you're not at home can **save you up to 40%** on your energy bill.

- The VES website garnered 19,891 site visits and 22,833 page views.
- VES published 218 posts on its Facebook and Twitter accounts, reaching 31,625 users and generating 722 engagements. VES also relaunched its Instagram account in March 2022.

## VIII. CLOSING

Code § 56-596 directs the Commission to provide "recommendations for any actions by the General Assembly, the Commission, electric utilities, or any other entity that the Commission considers to be in the public interest."<sup>111</sup> While the Commission has no statutory recommendations at this time, we bring to the General Assembly's attention a matter for its consideration, specifically the Commission's lack of proactive authority, under current law, to protect reliability and security of electric service resulting from VCEA-directed retirements unless there is a request by the utility. Code § 56-585.5 B prescribes certain retirements of fossil fuel generation owned by Phase I (APCo) and Phase II (DEV) utilities.

Code § 56-585.5 B 4 further states:

A Phase I or Phase II Utility [APCo or DEV] *may* petition the Commission for relief from the requirements of this subsection on the basis that the requirement would threaten the reliability or security of electric service to customers. The Commission shall consider in-state and regional transmission entity resources and shall evaluate the reliability of each proposed retirement on a case-by-case basis in ruling upon any such petition.<sup>112</sup>

The Commission appreciates the General Assembly's awareness of the importance of reliability and security of electric service to end-use customers. That said, the above

<sup>111</sup> Specifically, Code § 56-596 B.

<sup>112</sup> Emphasis added. Similarly, Enactment Clause 9 of the VCEA reads:

That nothing in this act shall require the utilities or the State Corporation Commission to take any action that, in the State Corporation Commission's discretion and after consideration of all in-state and regional transmission entity resources, threatens the reliability or security of electric service to the utility's customers.

While this Enactment Clause appears to protect the Commission *from having to* act, it does not appear to give the Commission authority *to* act.

provisions leave it to *the utility's* discretion whether to seek relief from VCEA requirements. The utility still has the ability to decide to retire and/or impair generating units even though customers may still be required to pay for such units. An after-the-fact review or finding of harm to reliability and/or security of electric service would leave the Commission with few options to protect customers.

If the General Assembly intends to leave this discretion solely in the hands of utilities, that is what the current law accomplishes. The General Assembly may wish to consider a required update or analysis from the Commission in close proximity and prior to unit closure.

The Commission continues to execute its responsibilities under the Regulation Act and stands ready to implement the laws passed by the General Assembly.

**APPENDIX 1****GLOSSARY OF TERMS**

ARPA	American Rescue Plan Act of 2021
APCo	Appalachian Power Company
Code	Code of Virginia
CTs	Combustion Turbines
Commission	Virginia State Corporation Commission
CRF	Coronavirus Relief Funds
Consumer Counsel	Office of the Attorney General, Division of Consumer Counsel
CVOW Project	Coastal Virginia Offshore Wind Commercial Project
DEI	Dominion Energy, Inc.
DEV	Virginia Electric and Power Company d/b/a Dominion Energy Virginia
Dominion	Virginia Electric and Power Company d/b/a Dominion Energy Virginia
DSM	Demand-side Management
DSS	Department of Social Services
EE	Energy Efficiency
EM&V	Evaluation, Measurement, and Verification
FERC	Federal Energy Regulatory Commission
GATS	PJM-EIS Generation Attribute Tracking System
GTSA	Grid Transformation and Security Act, Chapter 296 of the 2018 Acts of Assembly
IRP	Integrated Resource Plan
KU/ODP	Kentucky Utilities Company d/b/a Old Dominion Power Company
kWh	Kilowatt-hour
MOPR	Minimum Offer Price Rule
MW	Megawatt
NOPR	Notice of Proposed Rulemaking
PAPUC	Pennsylvania Public Utility Commission
PIPP	Percentage of Income Payment Program
PJM	PJM Interconnection, L.L.C.
PPA	Power Purchase Agreement
RAC	Rate Adjustment Clause
RGGI	Regional Greenhouse Gas Initiative
REC	Renewable Energy Certificate
Regulation Act	Virginia Electric Utility Regulation Act, codified at Code §§ 56-576 through 56-596.3
ROE	Return on Equity
RPS	Renewable Energy Portfolio Standard
Staff	State Corporation Commission Staff
VCEA	Virginia Clean Economy Act, Chapters 1193 and 1194 of the 2020 Acts of Assembly
VES	Virginia Energy Sense, a State Corporation Commission consumer education program

## TABLES

### CLERK'S OFFICE

Summary of the changes in the number of Virginia and foreign corporations and other types of business entities licensed to do business in Virginia, and of amendments and other filings related to the organizational documents of Virginia and foreign business entities during 2021 and 2022.

	<u>12/31/21</u>	<u>12/31/22</u>
<b>CORPORATIONS</b>		
<u>Virginia Corporations</u>		
Certificates of Incorporation issued .....	13,086	12,011
Voluntary terminations.....	2,371	2,415
Involuntary terminations .....	0	0
Automatic terminations (Assessment/AR/RA Resignation) .....	20,359	22,242
Reinstatements of corporate existence.....	10,202	10,046
Charters amended.....	1,939	1,870
 On Record		
Active Stock Corporations .....	117,132	113,138
Active Non-Stock Corporations .....	53,637	54,806
Total Active Virginia Corporations .....	170,769	167,944
 <u>Foreign Corporations</u>		
Certificates of Authority to do business in Virginia issued.....	3,854	3,880
Voluntary withdrawals from Virginia .....	920	917
Automatic Revocations (Assessment/AR/RA Resignation) .....	3,380	3,318
Reinstatement of surrendered or revoked certificates .....	2,165	1,761
Charters Amended.....	533	555
 On Record		
Active Stock Corporations .....	36,074	36,535
Active Non-Stock Corporations .....	3,130	3,212
Total Active Foreign Corporations.....	39,204	39,747
 Total Active Corporations (Virginia and Foreign).....	 209,973	 207,691
<b>LIMITED LIABILITY COMPANIES</b>		
<u>Virginia Limited Liability Companies</u>		
Certificates of Organization issued.....	116,115	108,811
Voluntary cancellations.....	11,987	13,369
Automatic cancellations (Assessment/RA Resignation).....	65,472	91,631
Reinstatements of existence .....	21,240	21,012
Articles of Organization amended.....	5,822	5,910
 On Record		
Active Virginia Limited Liability Companies .....	476,016	525,368
 <u>Foreign Limited Liability Companies</u>		
Certificates of Registration issued .....	7,022	7,141
Voluntary cancellations.....	1,254	1,355
Automatic cancellations (Assessment/RA Resignation).....	2,685	2,906
Reinstatement of canceled certificates.....	1,167	1,255
Certificates of Registration amended.....	399	454
 On Record		
Active Foreign Limited Liability Companies .....	38,785	43,510
 Total Active Limited Liability Companies (Virginia and Foreign).....	 514,801	 568,878

**BUSINESS TRUSTS**

<u>Virginia Business Trusts</u>	<u>12/31/21</u>	<u>12/31/22</u>
Certificates of Trust issued .....	162	119
Voluntary cancellations .....	18	22
Automatic cancellations (Assessment/RA Resignation) .....	60	113
Reinstatements of existence .....	9	5
Articles of Trust amended .....	16	12
 On Record		
Active Virginia Business Trusts .....	456	568
 <u>Foreign Business Trusts</u>		
Certificates of Registration issued .....	16	27
Voluntary cancellations .....	6	3
Automatic cancellations (Assessment/RA Resignation) .....	38	6
Reinstatement of canceled certificates .....	3	22
Certificates of Registration amended .....	6	4
 On Record		
Active Foreign Business Trusts .....	93	134
 Total Active Business Trusts (Virginia and Foreign) .....	549	702

**LIMITED PARTNERSHIPS**

<u>Virginia Limited Partnerships</u>		
Certificates of Limited Partnership filed .....	294	238
Voluntary cancellations .....	124	115
Automatic cancellations (Assessment/RA Resignation) .....	207	273
Reinstatements of existence .....	69	76
Certificates of Limited Partnership amended .....	132	223
 On Record		
Active Virginia Limited Partnerships .....	3,877	3,905
 <u>Foreign Limited Partnerships</u>		
Certificates of Registration issued .....	108	112
Voluntary cancellations .....	51	77
Automatic cancellations (Assessment/RA Resignation) .....	57	77
Reinstatement of canceled certificates .....	33	31
Certificates of Registration amended .....	41	87
 On Record		
Active Foreign Limited Partnerships .....	1,337	1,300
 Total Active Limited Partnerships (Virginia and Foreign) .....	5,214	5,205

**GENERAL PARTNERSHIPS**

General Partnership Statements filed .....	219	154
 On Record		
Active Virginia General Partnerships .....	719	738
Active Foreign General Partnerships .....	60	42
 Total Active General Partnerships (Virginia and Foreign) .....	779	780

**REGISTERED LIMITED LIABILITY PARTNERSHIPS**

Statement of Registration as a Virginia Registered Limited Liability Partnerships filed .....	90	46
Statement of Registration as a Foreign Registered Limited Liability Partnerships filed .....	32	35
 Total Active Registered Limited Liability Partnerships (Virginia and Foreign) .....	1,202	1,251

**COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE  
FOR THE FISCAL YEARS ENDING JUNE 30, 2021 AND JUNE 30, 2022**

<u>General Fund</u>	<u>2021</u>	<u>2022</u>	<u>(Difference)</u>
Charter Fees	\$1,883,018.00	\$1,674,040.00	\$-208,978.00
Entrance Fees	2,114,707.80	2,450,475.00	335,767.20
Filing Fees	719,490.00	714,171.00	-5,319.00
Registered Name	2,480.00	3,030.00	550.00
Registered Office and Agent	0.00	0.00	0.00
Service of Process	42,300.00	38,818.00	-3,482.00
Copy and Recording Fees	416,680.50	427,538.00	10,857.50
SCC Annual Report Sales	0.00	0.00	0.00
Uniform Commercial Code Revenues	2,400,330.00	2,353,160.00	-47,170.00
Excess Fees Transferred to Unclaimed Property	1,035,977.66	782,983.32	-252,994.34
Miscellaneous Sale	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b>\$8,614,983.96</b>	<b>\$8,444,215.32</b>	<b>-\$170,768.64</b>
 <b><u>Special Fund</u></b>			
Domestic-Foreign Corp. Registration Fee	32,410,428.00	32,712,855.36	302,427.36
Limited Partnership Registration Fee	284,125.00	279,225.00	-4,900.00
Reserved Name - Limited Partnership	12,350.00	12,000.00	-350.00
Certificate Limited Partnership	26,725.00	25,725.00	-1,000.00
Application Reg. Foreign LP	10,300.00	9,900.00	-400.00
Reinstatement LP	18,300.00	11,700.00	-6,600.00
Registration Fee LLC	20,441,609.00	22,347,454.73	1,905,845.73
Application For. Reg. LLC	640,700.00	733,875.00	93,175.00
Art. of Org. Dom. LLC	11,760,724.00	11,067,324.00	-693,400.00
AMEND, CANC., CORR., etc. LLC	863,140.00	915,780.00	52,640.00
SCC Bad Check Fee	43,679.00	35,539.00	-8,140.00
Interest on Del. Tax	0.00	0.00	0.00
Penalty on Non-Pay Fees by Due Date	3,240,099.00	3,216,978.00	-23,121.00
Statement of Reg. as Domestic LLP	14,325.00	6,200.00	-8,125.00
LLP Annual Continuation	81,200.00	61,400.00	-19,800.00
Statement of Partnership Authority GP Dom.	5,650.00	4,275.00	-1,375.00
Statement of Partnership Authority GP For.	175.00	175.00	0.00
Statement of Amendments - GP	950.00	1,200.00	250.00
Statement of Reg. as Foreign LLP	3,100.00	3,600.00	500.00
Statement of Amendment LLP	575.00	425.00	-150.00
Reinstatement LLC, BT	2,318,610.00	2,075,550.00	-243,060.00
Tape Sales, Misc. Fees	0.00	0.00	0.00
Copies, Recording Fees	416,681.00	427,538.00	10,857.00
Recovery of Prior Yr. Expenses	24,009.45	4,304.45	-19,705.00
LLP Reinstatement	3,100.00	3,500.00	400.00
Expedite Fee Collected	<u>1,103,579.00</u>	<u>1,253,004.00</u>	<u>149,425.00</u>
<b>TOTAL</b>	<b>\$73,724,133.45</b>	<b>\$75,209,527.54</b>	<b>\$1,485,394.09</b>
 <b><u>Valuation Fund</u></b>			
Corp. Operations Rec. of Copy and Cert. Fees	0.00	0.00	0.00
Recovery of Prior Year Expenses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
 <b><u>Trust &amp; Agency Fund</u></b>			
Fines imposed and collected by SCC	40,000.00	80,250.00	40,250.00
Debt Set Off Collections	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b>\$40,000.00</b>	<b>\$80,250.00</b>	<b>\$40,250.00</b>
 <b>GRAND TOTAL</b>	 <b>\$82,379,117.41</b>	 <b>\$83,733,992.86</b>	 <b>\$1,354,875.45</b>

**COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS  
FOR FISCAL YEARS ENDING JUNE 30, 2021 AND JUNE 30, 2022**

	<u>2021</u>	<u>2022</u>
Banks <sup>1</sup>	\$9,960,633	\$5,704,882
Savings Institutions and Savings Banks <sup>2</sup>	8,379	4,058
Consumer Finance Licensees	476,650	512,191
Credit Unions <sup>3</sup>	1,170,703	1,563,337
Trust Subsidiaries and Trust Companies	10,684	51,769
Industrial Loan Associations	2,400	2,400
Money Order Sellers and Transmitters <sup>4</sup>	1,132,009	1,297,659
Credit Counseling Agency Licensees	58,692	41,039
Mortgage Lenders and Mortgage Brokers <sup>5</sup>	351,134	1,144,407
Mortgage Loan Originators	3,593,800	4,045,050
Check Cashers	87,400	85,400
Payday/Short-Term Lenders	48,035	27,471
Motor Vehicle Title Lenders	455,074	534
Qualified Education Loan Servicers <sup>6</sup>	11,500	8,500
Debt Settlement Services Providers <sup>7</sup>	5,000	3,650
Miscellaneous Collections	<u>39,107</u>	<u>8,197</u>
<b>TOTAL</b>	\$17,411,200	\$14,500,544

## Notes:

- 1 The bank assessment was reduced 50% in Fiscal 2022.
- 2 The savings institution assessment was reduced 50% in Fiscal 2022.
- 3 The credit union assessment was reduced 50% in Fiscal 2021 and 40% in Fiscal 2022.
- 4 The money transmitter assessment was reduced 10% in Fiscal 2021 and 25% in Fiscal 2022.
- 5 The mortgage lender and broker assessment was reduced 100% in Fiscal 2021 and 75% in Fiscal 2022.
- 6 The qualified education loan servicer assessment was reduced 100% in Fiscal 2022.
- 7 The debt settlement services provider assessment was reduced 100% in Fiscal 2022.

**CONSUMER SERVICES**

The Bureau received and acted upon 703 formal written complaints during 2022 and recovered \$180,309 on behalf of Virginia consumers.

**COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE  
FOR THE FISCAL YEARS ENDING JUNE 30, 2021 AND JUNE 30, 2022**

<u>General Fund</u>	<u>2021</u>	<u>2022</u>	<u>Increase or (Decrease)</u>
Gross Premium Taxes of Insurance Companies	\$0.00	0.00	\$0.00
Fraternal Benefit Societies Licenses	0.00	0.00	0.00
Interest on Delinquent Taxes	0.00	0.00	0.00
Penalty on non-payment of taxes by due date	0.00	0.00	0.00
 <u>Special Fund</u>			
Company License Application Fees	\$13,000.00	\$17,500.00	\$4,500.00
Health Maintenance Organization License Fees	0.00	0.00	0.00
Automobile Club/Agent Licenses	0.00	0.00	0.00
Insurance Premium Finance Companies Licenses	12,400.00	12,500.00	100.00
Fraternal Benefit Societies Licenses	0.00	640.00	640.00
Agent Appointment Fees	19,058,590.00	20,229,505.00	1,170,915.00
Surplus Lines Broker Licenses	30,590.00	10,605.00	(19,985.00)
Pharmacy Benefits Manager Licensing Fees	8,500.00	5,750.00	(2,750.00)
Home Service Contract Providers License Fees	0.00	0.00	0.00
Title Settlement Agent Fees	12,865.00	1,435.00	(11,430.00)
Producer License Application Fees	2,120,595.00	2,668,335.00	547,740.00
Surety Bail Bondsmen License Fees	0.00	0.00	0.00
P&C Consultant License Fees	17,005.00	8,900.00	(8,105.00)



## ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

Recording, Copying, and Certifying			
Public Records Fees	0.00	0.00	0.00
SCC Bad Check Fees	4,340.00	3,150.00	(1,190.00)
Managed Care Health Ins. Plan Appeals Fees	0.00	0.00	0.00
Administrative Penalty Payment	0.00	0.00	0.00
State Publication Sales	0.00	0.00	0.00
Assessments to Insurance Companies for Maintenance of the Bureau of Insurance	12,087,340.54	11,795,275.55	(292,064.99)
Reinsurance Intermediary Broker Fees	1,500.00	1,500.00	0.00
Reinsurance Intermediary Manager Fees	0.00	0.00	0.00
Managing General Agent Fees	7,500.00	8,000.00	500.00
Viatical Settlement Provider License Fees	6,500.00	6,800.00	300.00
Viatical Settlement Broker License Fees	1,665.00	905.00	(760.00)
MCHIP Assessment	0.00	0.00	0.00
Public Adjusters	37,145.00	2,045.00	(35,100.00)
Appointment Fee Penalty	118,500.00	86,550.00	(31,950.00)
Miscellaneous Revenue	27,463.47	304.81	(27,158.66)
Recovery of Prior Year Expenses	205,223.87	0.00	(205,223.87)
Fire Programs Fund	46,610,098.15	49,611,279.01	3,001,180.86
Fire Programs Fund Interest	28,519.64	1,387.72	(27,131.92)
DMV Uninsured Motorist Transfer	5,190,384.83	0.00	(5,190,384.83)
Flood Assessment Fund	797,910.20	528,247.63	(269,662.57)
Heat Assessment Fund	2,532,210.62	2,785,563.38	253,352.76
Fines Imposed by State Corporation	1,306,520.65	0.00	(1,306,520.65)
Commission Fraud Assessment Fund	7,326,795.96	7,796,039.06	469,243.10
Fraud Assessment Interest	8,008.97	1,158.42	(6,850.55)
<b>TOTAL</b>	<b>\$97,571,171.90</b>	<b>\$95,583,375.58</b>	<b>(\$1,987,796.32)</b>

**ASSESSMENT OF VALUE OF PUBLIC SERVICE CORPORATIONS  
TAX YEARS 2021 AND 2022**

VALUE OF ALL TAXABLE PROPERTY INCLUDING ROLLING STOCK

<u>Class of Company</u>	<u>2021</u>	<u>2022</u>	<u>Increase or (Decrease)</u>
Electric Companies and Electric Suppliers	\$36,653,412,198	\$37,240,517,152	\$587,104,954
Gas and Pipeline Companies	3,704,897,490	3,880,704,173	175,806,683
Motor Vehicle Carriers (Rolling Stock only)	38,915,112	37,616,546	(1,298,566)
Telecommunications Companies	7,268,778,935	7,146,592,400	(122,186,535)
Water Corporations	<u>335,139,901</u>	<u>360,275,672</u>	<u>25,135,771</u>
<b>TOTAL</b>	<b>\$48,001,143,636</b>	<b>\$48,665,705,943</b>	<b>\$664,562,307</b>

**STATE TAXES OF PUBLIC SERVICE COMPANIES  
TAX YEARS 2021 AND 2022**

<u>Class of Company</u>	<u>2021</u>	<u>2022</u>	<u>Increase or (Decrease)</u>
Electric Companies	\$89,006,546	\$95,634,666	\$6,628,120
Gas Companies	11,896,555	13,268,772	1,372,217
Motor Vehicle Carriers	34,560	51,384	16,824
Railroad Companies	2,688,934	3,000,557	311,623
Telecommunications Companies	9,876,045	10,386,747	510,702
Virginia Pilots Association	47,509	60,177	12,668
Water Corporations	<u>2,546,751</u>	<u>2,522,078</u>	<u>(24,673)</u>
<b>TOTAL</b>	<b>\$116,096,900</b>	<b>\$124,924,381</b>	<b>\$8,827,481</b>

Railroad Companies assessed at eighteen-hundredths of one percent and all other companies assessed at two-tenths of one percent for Jan. - June, and twenty two-hundredths of one percent for July - Dec. of Tax Year 2022

**ASSESSED VALUE OF PROPERTY OF PUBLIC SERVICE COMPANIES  
FOR LOCAL TAXATION BY CITIES  
TAX YEARS 2021 AND 2022**

<u>Cities</u>	<u>2021</u>	<u>2022</u>	<u>Increase or (Decrease)</u>
Alexandria	\$516,682,083	\$537,226,266	\$20,544,183
Bristol	16,519,034	14,308,279	(2,210,755)
Buena Vista	21,824,316	19,427,353	(2,396,963)
Charlottesville	147,953,086	157,375,141	9,422,055
Chesapeake	972,567,048	1,062,745,629	90,178,581
Colonial Heights	33,534,905	34,346,042	811,137
Covington	248,290,623	214,310,464	(33,980,159)
Danville	47,390,659	52,091,319	4,700,660
Emporia	18,257,098	26,004,401	7,747,303
Fairfax	121,901,913	121,418,202	(483,711)
Falls Church	33,914,831	30,528,998	(3,385,833)
Franklin	4,691,868	4,350,386	(341,482)
Fredericksburg	106,711,575	99,649,205	(7,062,370)
Galax	22,409,348	25,455,130	3,045,782
Hampton	395,754,417	411,300,219	15,545,802
Harrisonburg	53,030,093	55,492,381	2,462,288
Hopewell	380,121,668	359,709,226	(20,412,442)
Lexington	19,959,318	22,468,360	2,509,042
Lynchburg	215,227,179	226,427,514	11,200,335
Manassas	119,649,251	119,887,461	238,210
Manassas Park	36,582,904	30,400,542	(6,182,362)
Martinsville	28,900,556	23,103,891	(5,796,665)
Newport News	517,870,407	534,829,873	16,959,466
Norfolk	705,732,490	712,016,566	6,284,076
Norton	25,462,807	27,950,605	2,487,798
Petersburg	168,872,433	180,740,256	11,867,823
Poquoson	23,089,851	23,586,721	496,870
Portsmouth	350,397,152	330,944,695	(19,452,457)
Radford	18,840,803	19,486,076	645,273
Richmond	863,245,986	1,012,096,483	148,850,497
Roanoke	337,663,026	341,188,199	3,525,173
Salem	50,610,432	48,798,927	(1,811,505)
Staunton	102,202,077	99,861,214	(2,340,863)
Suffolk	392,138,598	405,971,232	13,832,634
Virginia Beach	1,129,594,651	1,192,252,393	62,657,742
Waynesboro	108,165,670	109,787,271	1,621,601
Williamsburg	53,573,532	55,240,122	1,666,590
Winchester	83,282,218	82,143,979	(1,138,239)
Total Cities	\$8,492,615,906	\$8,824,921,021	\$332,305,115

**ASSESSED VALUE OF PROPERTY OF PUBLIC SERVICE CORPORATIONS  
FOR LOCAL TAXATION BY COUNTIES  
TAX YEARS 2021 AND 2022**

<u>Counties</u>	<u>2021</u>	<u>2022</u>	<u>Increase or (Decrease)</u>
Accomack	\$410,484,176	\$393,369,103	\$(17,115,073)
Albemarle	542,163,716	554,079,908	11,916,192
Alleghany	144,567,845	131,608,200	(12,959,645)
Amelia	42,044,211	41,795,104	(249,107)
Amherst	106,343,885	108,373,619	2,029,734
Appomattox	70,245,676	74,626,035	4,380,359
Arlington	944,793,182	992,446,311	47,653,129
Augusta	443,573,361	406,328,865	(37,244,496)
Bath	1,268,740,330	1,183,674,758	(85,065,572)
Bedford	269,363,739	242,159,825	(27,203,914)
Bland	105,305,389	99,681,079	(5,624,310)
Botetourt	461,522,494	408,763,583	(52,758,911)
Brunswick	964,068,387	874,535,397	(89,532,990)
Buchanan	122,684,392	122,501,672	(182,720)

Buckingham	555,492,888	459,430,834	(96,062,054)
Campbell	364,146,223	362,440,290	(1,705,933)
Caroline	418,073,801	383,227,562	(34,846,239)
Carroll	129,574,623	121,594,380	(7,980,243)
Charles City	115,547,629	161,940,229	46,392,600
Charlotte	84,223,603	80,108,125	(4,115,478)
Chesterfield	1,700,642,522	1,705,513,673	4,871,151
Clarke	66,082,687	69,449,482	3,366,795
Craig	21,098,219	20,352,460	(745,759)
Culpeper	264,895,883	229,888,663	(35,007,220)
Cumberland	70,023,032	65,917,277	(4,105,755)
Dickenson	75,817,274	76,799,948	982,674
Dinwiddie	230,842,713	197,621,039	(33,221,674)
Essex	52,975,014	51,543,525	(1,431,489)
Fairfax	4,113,078,684	4,234,529,035	121,450,351
Fauquier	644,123,557	755,318,622	111,195,065
Floyd	71,603,756	73,363,648	1,759,892
Fluvanna	427,205,609	388,589,969	(38,615,640)
Franklin	177,683,822	156,150,653	(21,533,169)
Frederick	432,045,557	385,722,221	(46,323,336)
Giles	79,528,381	79,022,096	(506,285)
Gloucester	140,116,067	131,953,958	(8,162,109)
Goochland	130,933,448	140,407,160	9,473,712
Grayson	58,734,981	63,681,875	4,946,894
Greene	42,161,428	41,227,243	(934,185)
Greensville	1,017,226,259	895,724,079	(121,502,180)
Halifax	1,051,908,283	1,111,458,796	59,550,513
Hanover	737,345,855	745,184,766	7,838,911
Henrico	1,126,010,846	1,179,195,543	53,184,697
Henry	246,861,029	217,047,060	(29,813,969)
Highland	24,615,940	17,623,875	(6,992,065)
Isle of Wight	159,983,982	148,489,573	(11,494,409)
James City	468,363,600	485,703,186	17,339,586
King and Queen	41,000,447	45,076,384	4,075,937
King George	119,805,141	123,635,850	3,830,709
King William	54,038,590	45,591,087	(8,447,503)
Lancaster	86,652,632	84,656,501	(1,996,131)
Lee	58,013,034	59,289,211	1,276,177
Loudoun	3,187,697,177	3,473,297,342	285,600,165
Louisa	2,243,023,113	2,206,381,329	(36,641,784)
Lunenburg	67,747,367	62,337,026	(5,410,341)
Madison	47,178,581	43,538,552	(3,640,029)
Mathews	24,692,065	23,868,341	(823,724)
Mecklenburg	309,020,409	312,788,927	3,768,518
Middlesex	56,426,013	124,861,943	68,435,930
Montgomery	222,864,822	201,599,648	(21,265,174)
Nelson	114,594,010	134,838,927	20,244,917
New Kent	148,006,447	183,633,899	35,627,452
Northampton	58,286,723	65,889,422	7,602,699
Northumberland	54,854,982	54,622,482	(232,500)
Nottoway	72,432,616	68,734,177	(3,698,439)
Orange	150,404,065	127,350,866	(23,053,199)
Page	76,094,144	73,968,422	(2,125,722)
Patrick	66,098,358	63,572,542	(2,525,816)
Pittsylvania	229,120,872	214,807,690	(14,313,182)
Powhatan	99,431,164	98,224,350	(1,206,814)
Prince Edward	104,237,039	102,539,545	(1,697,494)
Prince George	206,129,856	215,488,372	9,358,516
Prince William	1,886,271,326	1,908,256,274	21,984,948
Pulaski	139,433,611	116,059,063	(23,374,548)
Rappahannock	56,711,431	59,515,945	2,804,514
Richmond	86,142,407	85,541,883	(600,524)
Roanoke	314,364,592	323,013,919	8,649,327
Rockbridge	248,397,848	226,511,006	(21,886,842)
Rockingham	297,255,695	341,376,367	44,120,672
Russell	270,821,503	245,359,443	(25,462,060)
Scott	75,561,583	95,512,850	19,951,267
Shenandoah	214,477,965	236,412,554	21,934,589
Smyth	151,881,392	205,706,941	53,825,549
Southampton	200,481,502	177,763,936	(22,717,566)

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Spotsylvania	451,213,720	509,457,356	58,243,636
Stafford	392,748,453	459,561,450	66,812,997
Surry	1,988,777,299	2,149,183,960	160,406,661
Sussex	88,469,803	105,050,546	16,580,743
Tazewell	210,618,362	196,821,987	(13,796,375)
Warren	857,394,764	798,832,932	(58,561,832)
Washington	244,040,024	203,994,776	(40,045,248)
Westmoreland	70,113,525	76,041,392	5,927,867
Wise	1,408,176,922	1,403,727,158	(4,449,764)
Wythe	311,822,632	371,166,166	59,343,534
York	411,718,614	427,543,333	15,824,719
Total Counties	\$39,469,612,618	\$39,803,168,376	\$333,555,758
<b>Total Cities &amp; Counties</b>	<b>\$47,962,228,524</b>	<b>\$48,628,089,397</b>	<b>\$665,860,873</b>

**COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL  
FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 2021 AND DECEMBER 31, 2022**

<u>Fee Type</u>	<u>2021</u>	<u>2022</u>	<u>Increase or (Decrease)</u>
Securities Act	\$15,768,844.64	\$16,659,227.57	\$890,382.93
Retail Franchising Act	617,359.15	637,050.00	19,690.85
Trademarks-Service Marks	25,800.00	27,000.00	1,200.00
Penalties	162,425.71	161,017.46	(1,408.25)
Cost of Investigations	20,111.00	12,200.00	(7,911.00)
<b>Total</b>	<b>\$16,594,540.50</b>	<b>\$17,496,495.03</b>	<b>\$901,954.53</b>

## DIVISION OF UTILITY ACCOUNTING AND FINANCE

The Division of Utility Accounting and Finance (Division) assists the Commission with its review and analysis of accounting and financial information in utility regulatory matters. The Division conducts audits and prepares testimony and reports in rate proceedings, as well as in applications involving performance based reviews, rate adjustment clauses, affiliate transactions, mergers and acquisitions, financing plans, and certificates of public convenience and necessity. The Division also conducts audits of electric utility fuel costs and analyzes depreciation studies of electric, electric cooperatives, gas, and water and sewer utilities.

Below is a listing of analyses conducted and reports/testimony filed in rate proceedings, certificate cases and financial review filings analyzed by the Division during 2022.

<u>General Rate Cases/Biennial Reviews</u>	
Electric Companies	2
Electric Cooperatives	3
Gas Companies	5
Water Companies	1
Other	<u>0</u>
<b>Total General Rate Cases/Biennial Reviews</b>	<b>11</b>
<u>Certificates of Public Convenience and Necessity</u>	1
<u>Rate Adjustment Clauses</u>	
Electric Companies	35
<u>Water and Wastewater Infrastructure Service Charge (WWISC)</u>	
Water Companies	1
<u>Steps to Advance Virginia's Energy (SAVE) Plans/CARE Plans</u>	
Gas Companies	9
<u>Annual Informational Filings/Earnings Tests</u>	
Electric Companies	1
Gas Companies	4
Water Companies	<u>4</u>
<b>Total Annual Informational Filings/Earnings Tests</b>	<b>9</b>
<u>Fuel Factor Cases - Electric Companies</u>	
Fuel Factors	2
Fuel Audits	4
<b>Total Fuel Factor Cases - Electric Companies</b>	<b>6</b>
<u>Depreciation Studies</u>	
Electric Companies	1
Electric Cooperatives	2
Natural Gas Companies	0
Water Companies	<u>0</u>
<b>Total Depreciation Studies</b>	<b>3</b>
<u>Prudency Reviews</u>	0
<u>Other Reviews and Studies</u>	3
<p>During 2022 the Division submitted reports recommending action in applications filed pursuant to Chapter 3 (Issuances of Stocks, Bonds, etc.), Chapter 4 (Affiliates Act), and Chapter 5 (Utility Transfers Act) of Title 56 of the Code of Virginia, CSP Licensure, and Shared Solar Licensure cases as follows:</p>	
<u>Issuance of Stocks, Bonds, etc.</u>	22
<u>Affiliates Act Cases</u>	
Service Agreements	12
Other Transactions	13
<b>Total</b>	<b>25</b>
<u>Utility Transfers Act Cases</u>	
Transfers of Control	11
Transfers of Assets	<u>3</u>
<b>Total</b>	<b>14</b>

<u>Fair Value Acquisitions</u>	1
<u>Miscellaneous Cases</u>	3
<b>Total Chapter 3, 4 and 5 Cases</b>	<b>65</b>
<u>CSP Licensure Cases</u>	9
<u>Shared Solar Licensure Cases</u>	13

## DIVISION OF PUBLIC UTILITY REGULATION

The Division of Public Utility Regulation assists the Commission in fulfilling its statutory responsibilities and duties pursuant to Title 56, Chapter 10 of the Code of Virginia. Activities include: (i) reviewing investor-owned electric, natural gas and water/sewer utilities' cost of service studies; (ii) reviewing cost allocation methodology and rate design philosophies; (iii) reviewing long term utility resource plans; (iv) overseeing implementation of competition in landline local communications services; (v) certifying competitive local exchange and interexchange carriers; (vi) maintenance of telecommunications interconnection agreements; (vii) regulation of small incumbent local exchange carriers; and, (viii) providing expert testimony in these matters.

The Division provides expert testimony in certificate cases for service/exchange areas and major facility construction of public utilities and independent power producers. After such certificates are granted, the Division is responsible for maintaining the official certificates and associated maps. The Division monitors the collection of gas costs by gas utilities, the incurrence of wholesale purchased power expenses by electric cooperatives, the recovery of fuel expenses by investor-owned electric utilities, the construction and operation of major facilities of the investor-owned utilities, and the implementation of competition in the telecommunications market. It reviews extraordinary costs and policies related to nuclear power, including decommissioning of nuclear power plants and the storage of spent nuclear fuel.

The Division investigates and resolves informal consumer complaints/inquiries relative to electric, natural gas, water/sewer and the telecommunications industries. The Division also participates in, as appropriate, formal complaints filed with the Commission. Finally, the Division develops annual energy related financial forecasts and provides the Commission with technical expertise pertaining to mergers, acquisitions, and regulatory policy relative to these industries.

At the end of 2022, there were subject to the regulatory oversight of the Division:

15	Incumbent Local Exchange Telephone Companies
177	Competitive Local Exchange Telephone Companies
134	Intrastate Long Distance Telephone Companies
13	Payphone Service Providers
6	Operator Service Providers
3	Investor-Owned Electric Companies
13	Electric Cooperatives
7	Natural Gas Companies
32	Water/Sewer Companies

### SUMMARY OF 2022 ACTIVITIES

Consumer Complaints and Inquiries Received	3,544
Written Public Comments Relative to Commission Cases Received	2,166
Testimony and Reports Filed by Staff	106
Affiliates Applications	10
Certificates of Convenience and Necessity Granted, Transferred, or Revised	63
Meters Tests Witnessed	0
Community Meetings and Presentations	1

**BUREAU OF FINANCIAL INSTITUTIONS**

The Bureau of Financial Institutions is responsible under Title 6.2 of the Code of Virginia for the regulation and supervision of the following types of institutions: state chartered banks, independent trust companies, state chartered savings institutions, state chartered credit unions, industrial loan associations, consumer finance licensees, qualified education loan servicers, money transmitter licensees, mortgage lenders and brokers, mortgage loan originators, credit counseling agencies, debt settlement services providers, check cashers, motor vehicle title lenders, short-term lenders, and sales-based financing providers. Financial institutions domiciled outside of Virginia that have deposit taking subsidiaries within the Commonwealth are also subject to the Bureau regulatory authority, as are out-of-state deposit taking subsidiaries of financial holding companies domiciled in Virginia.

During the calendar year, the Bureau of Financial Institutions received, investigated, and processed applications for various certificates of authority as shown below:

**APPLICATIONS RECEIVED AND ACTED UPON  
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 2022**

	Received	Acted Upon
New Banks	2	2
Bank Branches	12	12
Bank Branch Office Relocations	4	3
Establish a Branch (Out-of-State Bank)	11	11
Out-of-State Branch Move (Bank)	2	2
Bank Acquisitions Pursuant to § 6.2-704C	4	5
Bank Merger	4	4
Conversions from National Bank to State Bank	1	1
Interim Institution (Bank)	1	1
Credit Union Service Facilities	1	2
Credit Union Office Relocations	1	1
Out of State Trust Branches	1	1
New Private Trust Company	2	2
New Consumer Finance	16	14
Consumer Finance Offices	13	13
Consumer Finance Other Business	1	0
Consumer Finance Office Relocations	7	7
Acquisitions of Consumer Finance Companies	1	1
Qualified Education Loan Servicer-Federal Contractor	2	6
Qualified Education Loan Servicer	7	13
Acquisitions of Qualified Education Loan Servicers	1	0
New Mortgage Lenders and/or Brokers	321	362
Acquisitions of Mortgage Lenders/Brokers	36	24
Mortgage Additional Offices	1,268	1,305
Exempt Mortgage Company Registrations	11	0
Mortgage Loan Originator Licensees	7,287	7,886
Bona Fide Non-Profit Designations	1	3
New Motor Vehicle Title Lender	1	0
New Money Order Sellers/Money Transmitters	36	31
Acquisitions of Money Order Sellers/Money Transmitters	8	9
Credit Counseling Agency Additional Offices	1	1
Credit Counseling Office Relocations	6	6
New Credit Counseling Agencies	1	0
Debt Settlement Services Providers	4	10
Acquisitions of Debt Settlement Services Providers	1	0
New Check Cashers	25	24
New Short-Term Lenders	0	1
Sales-Based Financing Providers	128	60

At the end of 2022, there were under the supervision of the Bureau 48 banks with 944 branches, 47 Virginia bank holding companies, 4 non-Virginia bank holding companies with a subsidiary Virginia bank, 2 subsidiary trust companies, 1 savings institution, 23 credit unions, 2 industrial loan associations, 24 consumer finance companies with 205 offices, 139 money transmitters, 31 credit counseling agencies, 358 check cashers, 215 mortgage lenders with 885 offices, 659 mortgage brokers with 860 offices, 357 mortgage lender/brokers with 3,055 offices, 33,397 mortgage loan originators, 7 private trust companies, 0 motor vehicle title lenders, 8 debt settlement services providers, 60 sales-based financing providers, 25 qualified education loan servicers, and 6 short-term lenders with 37 offices.

**BUREAU OF INSURANCE REGULATION  
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

The regulation of insurance was transferred to the State Corporation Commission from the Auditor of Public Accounts in 1906. The Bureau of Insurance (Bureau) has licensed and examined the affairs of insurance companies since that time. Here in the Commonwealth of Virginia, the functions of the Bureau have increased with the complexity and importance of insurance in our daily lives. In keeping with the Commission's mission, Bureau staff strives to balance the interests of insurance consumers with its duty to regulate Virginia's business responsibly.

The Bureau is divided into the following five divisions: The Financial Regulation Division licenses, analyzes, and examines insurance companies and, if necessary, takes steps to resolve financial problems before a company becomes unable to meet its obligations; the Life and Health Market Regulation Division regulates the activities of life insurers, accident and sickness insurers, health service plans, and health maintenance organizations; the Property and Casualty Market Regulation Division regulates the activities of property and casualty insurers (automobile and homeowners); the Agent Regulation Division licenses and regulates the activities of licensed insurance agents, agencies and public adjusters; and the Policy, Compliance and Administration Division monitors state and federal legislation impacting insurance regulation, prepares reports and studies for the Bureau, collects various special taxes and assessments on insurance companies, and supports the other Bureau divisions in an auxiliary role in performing their respective regulatory functions.

The regulatory functions of the Bureau include: (1) monitoring the activities of insurance agents, agencies and public adjusters to ensure their actions comply with state law; (2) answering questions and assisting consumers with problems concerning insurance companies or agents by investigating consumer complaints; (3) conducting on-site field examinations of insurance company practices in Virginia to ensure compliance with state law and to verify whether claims are paid on a timely basis, underwriting decisions are not unfairly discriminatory, and that marketing materials are not misleading; (4) promoting and protecting the interests of covered persons under managed care health insurance plans (MCHIP) and assisting consumers in understanding and exercising their rights of appeal of adverse decisions made by MCHIPs; and (5) evaluating insurance policies and rates to ensure compliance with state law, that policies are written in understandable language, and that premiums charged are reasonable and not unfairly discriminatory.

**SUMMARY OF FISCAL YEAR 2022 ACTIVITIES**

Assessment audits	1,568
Insurance Agents and Agencies Licensed	80,672
Property and Casualty insurance complaints received	2,322
Property and Casualty insurance rules, rates, and form submissions	3,444
Property and Casualty Division Market Conduct Examinations completed	5
Property and Casualty Division Market Regulation Continuum Actions completed	6
New insurance companies licensed to do business in Virginia	22
Insurance company financial statements analyzed	782
Financial examinations of insurance companies conducted	20
Life and Health insurance complaints received	1,347
Life and Health insurance policy forms and rates submissions	2,279
Life and Health Division Market conduct examinations completed	0
Life and Health Division Market Regulation Continuum Actions completed	15
Ombudsman Office inquiries received	432
Ombudsman Office assisted Individuals by in appealing MCHIP denials	183

**EXTERNAL REVIEW FISCAL YEAR 2022**

Number of External Review (ER) Requests Reviewed	524
Eligible ER Requests	159
Ineligible ER Requests	365
Final Adverse Decision Upheld by Reviewer	75
Final Adverse Decision Overturned by Reviewer	80
Final Adverse Decision Modified or Partially Overturned	0
Health Carrier Reversed Itself	3
Terminated or withdrawn	1

**NOTICE OF INSURANCE-RELATED ENTITIES IN RECEIVERSHIP**

Pursuant to Virginia Code § 38.2-1517, please TAKE NOTICE that the following insurance-related entities are in receivership under authority of various provisions of Title 38.2 of the Code of Virginia:

HOW Insurance Company, a Risk Retention Group, Homeowners Warranty Corporation and Home Warranty Corporation (the HOW Companies). Date of receivership: October 7, 1994. The company will not resume the transaction of the business of insurance. For more information/updates you can e-mail [www.howcorp.com](http://www.howcorp.com).

The Commission is the Receiver, and Commissioner of Insurance Scott A. White is the Deputy receiver, of HOW. Any inquiries concerning the conduct of the receivership of HOW may be directed to their Special Deputy Receiver, Patrick H. Cantilo, Esquire, Cantilo & Bennett, LLP, Suite 300, 11401 Century Oaks Terrace, Austin, Texas 78758.



Reciprocal of America (ROA) and The Reciprocal Group (TRG). Date of receivership: January 29, 2003. An Order of Liquidation with a Finding of Insolvency and Directing the Cancellation of Direct Insurance Policies was entered on June 20, 2003, and on October 28, 2003, the proposed plan of liquidation was approved by entry of an Order Setting Final Bar Date and Granting the Deputy Receiver Continuing Authority to Liquidate Companies.

The Commission is the Receiver, and the Commissioner of Insurance, Scott A. White, is the Deputy Receiver of ROA and TRG. Any inquiries concerning the conduct of the receivership of ROA and TRG may be directed to Donald C. Beatty, at the Bureau of Insurance or by e-mail at [www.reciprocalgroup.com](http://www.reciprocalgroup.com).

Southern Title Insurance Corporation (STIC). Date of receivership: December 20, 2011. The State Corporation Commission was named receiver for STIC by the Circuit Court of the City of Richmond. An Order of Liquidation with a Finding of Insolvency was entered on July 28, 2014.

The Commission is the Receiver, and the Commissioner of Insurance, Scott A. White, is the Deputy Receiver of STIC. Any inquiries concerning the conduct of the receivership of STIC may be directed to Donald C. Beatty, at the Bureau of Insurance or via [www.southerntitlesdr.com](http://www.southerntitlesdr.com).

**HEALTH BENEFIT EXCHANGE  
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

Chapter 65 of Title 38.2 of the Code of Virginia established the Virginia Health Benefit Exchange (Exchange) within the State Corporation Commission (Commission) in 2020. The purpose of the Exchange is to facilitate the purchase and sale of qualified health plans and qualified dental plans, to support the continuity of coverage and reduce the number of uninsured Virginians.

Virginia has transitioned to a State-based Exchange on the federal platform. Virginia will complete its transition to a full State-based Exchange by November 1, 2023. Until plan year 2024, Virginia consumers will continue to use HealthCare.gov to shop for an enroll in Qualified Health Plans and to access available financial assistance. Small Business Health Options Program insurance (SHOP) will also be available for eligible employers at [HealthCare.gov/smallbusinesses/](http://HealthCare.gov/smallbusinesses/).

The goals of the Health Benefit Exchange include: (1) reducing the number of uninsured; (2) supporting the continuity of care; (3) promoting a transparent and competitive marketplace; (4) promoting consumer choice and education; (5) assisting individuals with access to programs, policies, and procedures related to obtaining health insurance coverage; and (6) assisting individuals with premium tax credits and cost-sharing reductions.

The state budget authorizes \$28.3 million and \$29.03 million, respectively, of non-general funds to support Exchange functions for FYs 2022 and 2023. The state budget authorizes the Secretary of Finance to approve a Working Capital Advance of up to \$40 million over ten years to fund Exchange start-up and other implementation costs -- \$6 million of which was approved on June 5, 2020 and drawn down by the Commission on July 1, 2020. Anticipated drawdowns are expected to be \$20 million over four years. Exchange revenues for FY 2022 were approximately \$9.4 million, generated through the collection of assessment fees on health carriers offering plans through the Exchange in accordance with § 38.2- 6510 of the Code. Exchange expenses for FY 2022 were approximately \$5.3 million.

The Exchange oversees a Navigator program to help Virginians navigate, shop for, and enroll in health insurance coverage through HealthCare.gov. In support of the Navigator program, on August 30, 2022, the Commission awarded approximately \$1.71 million in grant funds to the Virginia Poverty Law Center and \$400,000 to BoatPeople SOS, Inc..

**SUMMARY OF FISCAL YEAR 2022 ACTIVITIES**

Navigators registered	38
Certified Application Counselor Designated Organizations (CDOs) designated	30
Carriers offering individual health coverage on Exchange	12
Carriers offering small business coverage on SHOP	3
Carriers offering Exchange-certified stand-alone dental plans on Exchange	8

**DIVISION OF SECURITIES AND RETAIL FRANCHISING**

The Division of Securities and Retail Franchising of the State Corporation Commission is charged with the administration of the following laws:

The Division of Securities and Retail Franchising of the State Corporation Commission is charged with the administration of the following laws:

Virginia Securities Act (known as the "Blue Sky" Law), Virginia Code Sections 13.1-501 through 13.1-527.3.

Virginia Trademark and Service Mark Act, Virginia Code Sections 59.1-92.1 through 59.1-92.21.

Virginia Retail Franchising Act, Virginia Code Sections 13.1-557 through 13.1-574.

**Summary of 2022 Activities**

## UNDER THE VIRGINIA SECURITIES ACT:

16	securities registrations approved
286,612	broker-dealer agent registrations and renewals approved
39,465	broker-dealer agent registrations and renewals denied, withdrawn, or terminated
12	securities registrations denied, withdrawn, or terminated
1,915	investment company notice filings originals and renewals accepted
359	investment company notice filings originals and renewals denied, withdrawn, or terminated
357	exemptions from registration approved
5	exemptions from registration denied, withdrawn, or terminated
7425	exemption notice filings for federal-covered securities accepted
1	exemption notice filings for federal-covered securities denied, withdrawn, or terminated
1,943	broker-dealer registrations and renewals approved
99	broker-dealer registrations and renewals denied, withdrawn, or terminated
24	investment advisor eras approved
127	investment advisor other amendments approved
45	investment advisor other amendments denied, withdrawn, or terminated
18,093	investment advisor registrations, renewals, and amendments approved
2,790	investment advisor registrations, renewals, and amendments denied, withdrawn, or terminated
90	investment advisor audits completed
541	audit violation deficiencies resolved
15,196	investment advisor representative registrations and renewals approved
263	investment advisor representative registrations and renewals denied, withdrawn, or terminated
88	agent of issuer registrations and renewals approved
10	agent of issuer registrations and renewals denied, withdrawn, or terminated
93	investigations completed

## UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

679	trademarks and/or service marks approved, renewed, or assigned
435	trademarks and/or service marks denied, abandoned, expired, or withdrawn

## UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

2,153	franchise registrations, renewals, or post-effective amendments approved
377	franchise registrations, renewals, or post-effective amendments denied, withdrawn, non-renewed, or terminated
16	investigations completed

## ORDERS, JUDGMENTS AND SETTLEMENTS:

8	orders granting exemptions and/or official interpretations
0	orders filing and/or canceling surety bonds
7	orders for subpoena of records by banks, corporations, and individuals
0	orders of show cause
14	judgments of compromise and settlement
13	final orders and/or judgments
0	temporary injunctions
6	special supervision

ANNUAL REPORT OF THE STATE CORPORATION COMMISSION

TELEPHONE CALLS, E-MAILS AND COMPLAINTS:

283	calls/e-mails regarding pending investigations
36	enforcement general inquiry calls/e-mails
578	calls/e-mails regarding pending enforcements
262	calls/e-mails regarding pending registrations
3,721	registration general inquiry calls/e-mails
534	calls/e-mails regarding pending audits
3	audit general inquiry calls/e-mails
397	examination general inquiry calls/e-mails
112	calls/e-mails regarding pending examinations
84	complaints resulting in investigations
33	complaints referred
57	complaints with no authority to investigate
1	complaints with no violation of Securities or Franchise Acts

**UNIFORM COMMERCIAL CODE**

The Clerk’s Office is the central filing office in the Commonwealth for financing statements, amendments, assignments and terminations filed under the Uniform Commercial Code – Secured Transactions. The Clerk’s Office is the filing office in the Commonwealth for notices and certificates applicable to the personal property of corporations and partnerships filed under the Uniform Federal Lien Registration Act.

**SUMMARY OF CALENDAR YEAR ACTIVITIES**

	<u>12/31/21</u>	<u>12/31/22</u>
Financing/Subsequent Statements Filed	113,605	112,330
Federal Tax Liens/Subsequent Liens Filed	2,654	1,860
Reels of Microfilmed Documents Sold	0	0

## DIVISION OF UTILITY AND RAILROAD SAFETY

The Division of Utility and Railroad Safety ("Division") assists the Commission in administering three safety programs: Gas and Hazardous Liquid Pipeline Safety, Railroad Safety and Underground Utility Damage Prevention.

### Pipeline Safety

The Pipeline Safety Section of the Division helps ensure the safe operation of gas and hazardous liquid pipeline facilities, through various types of inspections. These inspections include comprehensive reviews of required programs, procedures, and plans, the inspection of pipeline facilities, review of operator records, and the performance of risk-based field inspections of pipeline activities including construction and repairs. The Division also responds to and investigates reported pipeline Incidents<sup>1</sup> and Accidents<sup>2</sup> as reported to the Division's 24-hour, 365 day staffed on-call emergency number. The Division also investigates certain other pipeline emergencies that may be of significant impact to the Commonwealth but have not yet risen to reporting criteria at the time of discovery.

In 2022, the Division's pipeline safety activities encompassed the inspection of intrastate gas distribution and transmission pipelines, intrastate hazardous liquid pipelines, and certain interstate gas and liquid pipelines.

The Virginia natural gas distribution systems are comprised of seven private natural distributions gas companies and three municipal owned distributions systems who collectively operate a total of 22,303.6 miles of main piping and 19,831 miles of service pipeline. These 42,134.6 miles of natural gas distribution pipeline provide service to 1,329,576 Virginia customers based on 2021 federal reporting data (at the time of this report 2022 data is not yet submitted).

Pipeline safety activities also include inspections of intrastate transmission lines. These pipelines are operated by the seven private distribution companies, five intrastate gas transmission lines. These transmission pipeline companies operate over 517 miles of intrastate transmission pipelines in the Commonwealth. Additionally, there are four gathering line operators who operate 40.47 miles of gathering line piping, one liquefied natural gas plant, 36 master-metered distribution systems, and 12 propane companies who operate jurisdictional distribution systems (two of which also operate private natural gas distribution systems).

The Division acts as an interstate agent for the US Department of Transportation, Pipeline and Hazardous Materials Safety Administration ("PHMSA") and inspects four interstate hazardous liquid pipeline companies along with the inspection of Virginia's sole intrastate hazardous liquid company. These five hazardous liquid pipeline companies operate 1,143 miles of hazardous liquid pipelines in Virginia.

Since 2017, the Division has entered into a temporary agreement with PHMSA to inspect construction of the Mountain Valley Pipeline and Atlantic Coast Pipeline interstate gas transmission pipelines in response to §56-555.2 of the Code of Virginia. The Atlantic Coast Pipeline was canceled during 2020. No inspection activity occurred for the Mountain Valley Pipeline in 2022 due to legal challenges brought against permits for the pipeline. The Division's temporary interstate agreement was renewed through 2023 for this project in anticipation of construction restarting. The project is approximately 95% complete.

### Summary of Calendar Year 2022 Activities

Gas safety inspection days conducted	809.09
Interstate gas safety inspection days conducted	0
Hazardous liquid safety inspection days conducted	225
Number of probable violations found during 2022	581
Number of probable violations submitted to PHMSA	28
Number of compliance actions taken	60
Pipeline Incidents <sup>3</sup> or Accidents <sup>4</sup> investigated	1
Number of citizen complaints investigated	17

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<sup>1</sup> Incident as defined by §191.3.

<sup>2</sup> Accident as defined by §195.50.

<sup>3</sup> Incident as defined by §191.3.

<sup>4</sup> Accident as defined by §195.50.

## Railroad Safety

The Rail Safety Section of the Division in coordination with the Federal Railroad Administration (49 CFR Part 212 – State Safety Participation Regulations), helps ensure the safe operation of jurisdictional railroads and contractors by conducting inspections of tracks, signal systems (wayside and onboard locomotive), highway rail grade crossings, railroad operations, shipment of hazardous materials by rail, motive power and equipment and investigations of critical accidents and citizen complaints. The Division's inspections involve more than 4,100 miles of track, over 4,200 public and private highway rail-grade crossings, thousands of rolling stock, which also include tank cars, and intermodal containers and 69-yard facilities.

During the year of 2022, the Federal Railroad Administration (FRA) had multiple vacancies which were not filled. The SCC rail safety team played an integral part in the success of carrying out the FRA's mission. Inspectors assisted in multiple audits across all disciplines in and out of the state.

### Summary of 2022 Inspection Activities

	Own <sup>6</sup>	Accompanied <sup>7</sup>
Number of Hazmat Units <sup>1</sup> Inspected	8,133	2,128
Number of Track Units <sup>2</sup> Inspected	9,915	953
Number of Locomotive and Car Units <sup>3</sup> Inspected	42,687	859
Number of Operating Practice Units <sup>4</sup> Inspected	817	251
Number of Signal/Grade Crossing <sup>5</sup> Units Inspected	454	954
Number of Defects Noted	6,802	774
Number of Violations Cited	57	17
Number of Accidents Investigated	9	
NRC Incidents Investigated	40	
Number of Complaints Investigated	35	

<sup>1</sup> Each hazmat record review along with each visual inspection of a tank car, bulk/non-bulk package and/or freight container is considered a hazmat unit.

<sup>2</sup> Each mile of track, record, crossing at grade, among other things, is considered a track unit.

<sup>3</sup> Each locomotive, car, motive power equipment record, among other things, is considered a unit.

<sup>4</sup> Each location where operations are or may occur such as switchyards, field offices, yard offices, trains, yard crew locations and dispatching are considered an operating practice unit.

<sup>5</sup> Each signal/switch/grade crossing/PTC/ wayside and onboard locomotive signal system and record review along with each visual inspection of a signal/grade crossing component is considered a signal/grade crossing unit.

<sup>6</sup> Own means the primary inspector wrote the report themselves.

<sup>7</sup> Accompanying means the inspector worked alongside (accompanying inspector) another inspector during their duties and was shown on the primary inspector's report.

## Damage Prevention

The Damage Prevention Section of the Division investigates all reports of "probable violations" of the Underground Utility Damage Prevention Act ("Act") and on a monthly basis presents its findings and recommendations to an Advisory Committee appointed by the Commission in accordance with the Act. This Committee then makes enforcement recommendations to the Commission. The Division provides free training relative to the Act and safe digging practices to excavators, utilities, and others, disseminates damage prevention educational material and promotes partnership among the stakeholders to further underground utility damage prevention in Virginia.

### Summary of 2022 Activities

Underground Utility Damage Reports Investigated	1,054
Number of Individuals Having Received Damage Prevention Training	363
Number of Damage Prevention Educational Material Disseminated	78,797
Number of Damage Prevention Field Audits Conducted	667

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BAN20220001	OneMain Financial Group, LLC - To open a consumer finance office at 913 Memorial Drive East, Ahoskie, NC
BAN20220002	OneMain Financial Group, LLC - to relocate a consumer finance office from Manaport Plaza, 8367 Sudley Road, Prince William County, VA to 510 Spring Street, Suite 150, Herndon, Fairfax County, VA
BAN20220003	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To open a consumer finance office at 1457 North Main Street, Suite 28, City of Suffolk, VA
BAN20220004	Lee Merger Sub, Inc. - To open a bank at 41371 West Morgan Avenue, Pennington Gap, Lee County, VA
BAN20220005	Lee Bank & Trust Company - To merge into it Lee Merger Sub, Inc.
BAN20220006	Lee Bankshares, Inc. - To acquire Lee Bank & Trust Company, Pennington Gap, VA
BAN20220007	GreenPath, Inc. d/b/a GreenPath Financial Wellness - To relocate a credit counseling office from 1561 E. Orangethorpe Avenue, Suite 100, Fullerton, CA to 1561 E. Orangethorpe Avenue, Suite 130, Fullerton, CA
BAN20220008	Edison Partners IX, LP - To acquire 25 percent or more of Nations Home Loans LLC
BAN20220009	Advantage Credit Counseling Service, Inc. - To relocate a credit counseling office from 2403 Sidney Street, Suite 400, Pittsburgh, PA to 2403 Sidney Street, Pittsburgh, PA
BAN20220010	Dispatch Trust Company, LLC - To establish a new private trust company
BAN20220011	ISHWARBAPA VA INC. d/b/a SAVE X - To open a check casher at 2309 West Beverley Street, Staunton, VA
BAN20220012	RIA STORES VA INC. d/b/a LITTLE QUICK MART - To open a check casher at 1116 West Beverley Street, Staunton, VA
BAN20220013	Nathan Shamo - To acquire 25 percent or more of MortgagePros, LLC
BAN20220014	Debt Settlement Group, Inc. d/b/a DebtRX - For a license to engage in business as a debt settlement services provider
BAN20220015	EL AMANECER LATINO MARKET RR INC. d/b/a El Amanecer Latino Market - To open a check casher at 4806 Nine Mile Road, Richmond, VA
BAN20220016	Super Estrella Latino Market LLC d/b/a Super Estrella Latino Market - To open a check casher at 7217 W. Broad Street, Henrico, VA
BAN20220017	Laundromania LLC d/b/a The Laundry Wagon - To open a check casher at 5916 B North Kings Highway, Alexandria, VA
BAN20220018	Coast 2 Coast Lenders, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220019	OneMain Financial Group, LLC - To relocate a consumer finance office from Blue Ridge Plaza, 247 Mt. Jefferson, West Jefferson, NC to 414 E. Main Street, Jefferson, NC
BAN20220020	OceanFirst Financial Corp. - To acquire Virginia Partners Bank, Fredericksburg, VA
BAN20220021	Pinnacle Bank - To open a branch at 1800 Tysons Boulevard, Suite 600, McLean, Fairfax County, VA
BAN20220022	TD Bank, National Association - To merge into it First Horizon Bank
BAN20220023	SMRF TRS, LLC - To acquire 25 percent or more of Luxury Mortgage Corp.
BAN20220024	Z. A. GORAYA LLC - To open a check casher at 3019 Nine Mile Road, Richmond, VA
BAN20220025	Keller Home LLC - To acquire 25 percent or more of Keller Mortgage, LLC
BAN20220026	First Sentinel Bank - To open a branch at 968 West Main Street, Abingdon, Washington County, VA
BAN20220027	WizzFinancial US LLC - To acquire 25 percent or more of Moneydart Global Services Inc.
BAN20220028	Republic Finance, LLC - To open a consumer finance office at 360 Pantops Center, Albemarle County, VA
BAN20220029	Credit Corp Financial Services Inc. - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220030	CAS Acquisition, LLC - To acquire 25 percent or more of American Debt Relief, LLC
BAN20220031	Consumer Credit Counseling Service of the Midwest, Inc. d/b/a Apprisen - To relocate a credit counseling office from 690 Taylor Road, Suite 150, Gahanna, OH to 700 Taylor Road, Suite 190, Gahanna, OH
BAN20220032	Americor Funding, LLC - For a license to engage in business as a debt settlement services provider
BAN20220033	Jerry Schiano - To acquire 25 percent or more of Spring EQ, LLC
BAN20220034	CNB Bank d/b/a Ridge View Bank, a division of CNB Bank - To open a branch at 3531 Franklin Road, City of Roanoke, VA
BAN20220035	ODNB Financial Corporation - To acquire Old Dominion National Bank, Vienna, VA
BAN20220036	Benchmark Community Bank - To open a branch at 125 W. Atlantic Street, City of Emporia, VA
BAN20220037	Towne Bank - To relocate an office from 2839 Charles Blvd., Greenville, NC to 1000 Red Banks Road, Greenville, NC
BAN20220038	Lendmark Financial Services, LLC - To open a consumer finance office at 300 Amelon Square, #19, Madison Heights, Amherst County, VA
BAN20220039	Swift Debt Relief Inc. - For a license to engage in business as a debt settlement services provider
BAN20220040	Sensible Auto Lending, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220041	A1 RETAIL LLC d/b/a A1 TOBACCO & CHECKS CASHED - To open a check casher at 3201 Williamson Road NE, Roanoke, VA
BAN20220042	Exeter Finance LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220043	SGG ENTERPRISES INC. d/b/a Fast & Friendly - To open a check casher at 6249 Jefferson Davis Highway, North Chesterfield, VA



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BAN20220044	Consumer Credit Counseling Service of Maryland and Delaware, Inc. d/b/a Guidewell Financial Solutions - To relocate a credit counseling office from 757 Frederick Road, 2nd Floor, Baltimore, MD to 6315 Hillside Court, Suite B, Columbia, MD
BAN20220045	Virginia Credit Union, Inc. - To open a credit union service office at 10 N. Nansemond Street, Suite G, Richmond, VA
BAN20220046	DKB Holdings, LLC - To acquire 25 percent or more of Best Alaska Mortgage LLC
BAN20220047	Farmers & Merchants Bank - To open a branch at 1738 Amherst Street, City of Winchester, VA
BAN20220048	CornerStone Bank - To convert to state bank
BAN20220049	Regional Acceptance Corporation - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220050	The Independent Savings Plan Company - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220051	June Twenty-Eighth Trust - To acquire 25 percent or more of Canopy Mortgage, LLC
BAN20220052	Varun Soni - To acquire 25 percent or more of Better Lending LLC
BAN20220053	United Bank - To open a branch at 6206 Annapolis Road, Landover Hills, MD
BAN20220054	Jacob Aboo - To acquire 25 percent or more of NATIONS MORTGAGE, LLC
BAN20220055	Truist Bank - To relocate an office from 515 Maple Avenue East, Vienna, Fairfax County, VA to 440 Maple Avenue East, Vienna, Fairfax County, VA
BAN20220056	Binti LLC d/b/a B & B Grab and Go - To open a check casher at 16584 Tomahawk Creek Road, Orange, VA
BAN20220057	Lendmark Financial Services, LLC - To open a consumer finance office at 9853 Brook Road, Suite 102, Glen Allen, Henrico County, VA
BAN20220058	Alta Trust - To acquire 25 percent or more of Canopy Mortgage, LLC
BAN20220059	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To open a consumer finance office at 400 Parker Square, Suite 205, Flower Mound, TX
BAN20220060	CNB Bank d/b/a Ridge View Bank, a division of CNB Bank - To open a branch at 160 Apron Road, Hardy, Franklin County, VA
BAN20220061	Forbright Bank - To open a branch at 1600 Tysons Boulevard, Tysons, Fairfax County, VA
BAN20220062	Lendbuzz Funding LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220063	Latin Bodega La Bendicion LLC - To open a check casher at 549 Newton Road, Suite 106, Virginia Beach, VA
BAN20220064	Jung Hyun Yoo - To acquire 25 percent or more of Bitstamp USA, Inc.
BAN20220065	DNV CHECK CASH LLC - To open a check casher at 1301 Jefferson Davis Highway, Fredericksburg, VA
BAN20220066	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To relocate a consumer finance office from 65 Conston Avenue, Christiansburg, Montgomery County, VA to 112 Peppers Ferry Road, N.W., Christiansburg, Montgomery County, VA
BAN20220067	Republic Finance, LLC - To open a consumer finance office at 7484 Limestone Drive, Gainesville, Prince William County, VA
BAN20220068	Bank of Charlotte County, The - To open a branch at 4767 Main Street, Drakes Branch, Charlotte County, VA
BAN20220069	Finance and Phones of the Americas LLC d/b/a Winchester Express - To open a check casher at 217 Weems Lane, Winchester, VA
BAN20220070	B&H Subsidiary, Inc. - For a certificate of authority to begin business as an interim bank from 100 South Fairfax Street, City of Alexandria, Virginia
BAN20220071	Burke & Herbert Bank & Trust Company - To merge into its B&H Subsidiary, Inc.
BAN20220072	Burke & Herbert Financial Services Corp. - To acquire Burke & Herbert Bank & Trust Company, Alexandria, VA
BAN20220073	Clark Family Company, Inc. - To establish a new private trust company
BAN20220074	Event Center - To open a check casher at 139 Midlothian Turnpike, Richmond, VA
BAN20220075	Habitat for Humanity of Washington, D.C. & Northern Virginia - For Determination of a Bona Fide Non-Profit Status Pursuant to 6.2-1701.1 of the Code of Virginia
BAN20220076	Pinnacle Bank - To open a branch at 18822 Forest Road, Lynchburg, VA
BAN20220077	La Tapatia 3, Inc. d/b/a La Tapatia 3 - To open a check casher at 9604 Granby Street, Norfolk, VA
BAN20220078	Los Delgadillos, Inc. d/b/a La Tapatia 1 - To open a check casher at 5033 Virginia Beach Boulevard, Suite 102, Virginia Beach, VA
BAN20220079	Globe Premia Holdings LLC - To acquire 25 percent or more of Premia Mortgage, LLC
BAN20220080	Premia Business Trust - To acquire 25 percent or more of Premia Mortgage, LLC
BAN20220081	Estalea II, LLC - To acquire 25 percent or more of LeadPoint, Inc.
BAN20220082	Blue Elephant Specialty Finance Fund, LP - To acquire 25 percent or more of Paramount Capital Group, LLC
BAN20220083	DILIP VELLODI IGT - To acquire 25 percent or more of Sutherland Mortgage Services, Inc.
BAN20220084	Wong Pineda by Bansy LLC - To open a check casher at 201A Granite Spring Road, Chesterfield, VA
BAN20220085	Trustar Bank - To open a branch at 1701 Pennsylvania Avenue, NW, Suite 200, Washington, DC
BAN20220086	Republic Finance, LLC - To open a consumer finance office at 14518 Smoketown Road, Woodbridge, Prince William County, VA
BAN20220087	Mobius Parent Corp. - To acquire 25 percent or more of MoneyGram Payment Systems, Inc.
BAN20220088	Sigue Corporation - To open a check casher at 6916 N. Military Highway, Norfolk, VA
BAN20220089	First National Bank of Pennsylvania - To open a branch at 11874 Spectrum Center, Reston, VA
BAN20220090	First National Bank of Pennsylvania - To open a branch at 900 N. Stuart Street, Arlington, VA
BAN20220091	First Bank and Trust Company, The - To open a branch at 818 McKinney Parkway, Lillington, NC

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BAN20220092	Caribou Financial, Inc. - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220093	1st Franklin Financial Corporation - To open a consumer finance office at 1250 Volunteer Parkway, Suite 1, Bristol, TN
BAN20220094	E3 Financial, Inc. - To acquire 25 percent or more of Colony Mortgage, LLC
BAN20220095	Aperture Dodge 18, LLC - To acquire 25 percent or more of DOLEX DOLLAR EXPRESS, INC.
BAN20220096	Bank of the James - To open a branch at 4105 Boonsboro Road, City of Lynchburg, VA
BAN20220097	Milend, Inc - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220098	Acrisure Mortgage Partners, LLC - To acquire 25 percent or more of FBC Mortgage, LLC
BAN20220099	Acrisure Mortgage Partners, LLC - To acquire 25 percent or more of Jet HomeLoans, LLC
BAN20220100	Ryan McKenzie Legacy Trust - To acquire 25 percent or more of GSC Enterprises, Inc.
BAN20220101	Movement Bank - To open a branch at 2397 Hendersonville Road, Arden, NC
BAN20220102	Ally Merchant Services LLC - To register as a sales-based financing provider
BAN20220103	Advantage Credit Counseling Service, Inc. - To relocate a credit counseling office from 2403 Sidney Street, Suite 400, Pittsburgh, PA to 2403 Sidney Street, Suite 250, Pittsburgh, PA
BAN20220104	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To open a consumer finance office at 5340 Legacy Drive, Suite 325, Plano, TX
BAN20220105	NM Management II, LLC - To acquire 25 percent or more of First County Mortgage, LLC
BAN20220106	Abdirahman Ahmed Ali - To acquire 25 percent or more of SafariPay Corp.
BAN20220107	Milend, Inc - To make loans under Chapter 15, Title 6.2 of the Code of Virginia where mortgage loan origination, processing, underwriting and closing will also be conducted
BAN20220108	Hance Thurston - To acquire 25 percent or more of Home Factor Financial LLC
BAN20220109	Skopos Financial, LLC d/b/a Reprise Financial - to relocate a consumer finance office from 500 East John Carpenter Freeway, Suite 300, Irving, TX to 8333 Ridgepoint Drive, Suite 150, Irving, TX
BAN20220110	Money Management International, Inc. - To open an additional credit counseling office at 5555 Hilton Avenue, Suite 550, Baton Rouge, LA
BAN20220111	Warp Speed Holdings, LLC - To acquire 25 percent or more of CalCon Mutual Mortgage LLC
BAN20220112	National Credit Adjusters, L.L.C. - For a license to engage in business as a motor vehicle title lender
BAN20220113	Jerry Offers Inc - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220114	AEON Lending Services, Inc. d/b/a AEON Legal Lending - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220115	Victor Ciardelli Revocable Trust dtd December 23, 2016 - To acquire 25 percent or more of Certainty Home Loans, LLC
BAN20220116	ServisFirst Bank - To open a branch at 4505 Columbus Street, Six Columbus Center, Virginia Beach, VA
BAN20220117	Prosperum Capital Partners LLC d/b/a Arsenal Funding - To register as a sales-based financing provider
BAN20220118	Monarch Servicing Solutions, Inc - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220119	Omni Holding Company, LLC - to acquire 25 percent or more of Omni Financial of Nevada, Inc.
BAN20220120	Fundamental Capital LLC - To register as a sales-based financing provider
BAN20220121	Libertas Funding, LLC - To register as a sales-based financing provider
BAN20220122	AdvancePoint Capital LLC d/b/a Advancepoint - To register as a sales-based financing provider
BAN20220123	Rewards Network Establishment Services Inc. - To register as a sales-based financing provider
BAN20220124	1st Franklin Financial Corporation - To open a consumer finance office at 135 Cook Street, Abingdon, Washington County, VA
BAN20220125	Southern Bank and Trust Company - To relocate office from 1304 Greenbrier Parkway, Chesapeake, VA to 617 Volvo Parkway, Chesapeake, VA
BAN20220126	Warp Speed Holdings LLC. - To acquire 25 percent or more of Schumacher Mortgage LLC
BAN20220127	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - to relocate a consumer finance office from 241 Charles H. Dimmock Parkway, Suite 1, City of Colonial Heights, VA to 583 Southpark Boulevard, City of Colonial Heights, VA
BAN20220128	Lendr.Online, LLC - To register as a sales-based financing provider
BAN20220129	Pinel Artinian - To acquire 25 percent or more of Swift Home Loans, Inc.
BAN20220130	Freedom Bank of Virginia, The - To open a branch at 4090 Lafayette Center Drive, Suite B, Chantilly, Fairfax County, VA
BAN20220131	CLOUDFUND VA LLC (Used in VA by: CLOUDFUND LLC) - To register as a sales-based financing provider
BAN20220132	VAMIKA PATEL CORP d/b/a Best Bet Mini Mart 1 - To open a check casher at 188 Faulconerville Drive, Amherst, VA
BAN20220133	USA Financial Resources LLC - To open a check casher at 1060 Lynnhaven Parkway, Suite 104, Virginia Beach, VA
BAN20220134	Kapitus LLC - To register as a sales-based financing provider
BAN20220135	Invision Funding LLC - To register as a sales-based financing provider
BAN20220136	Errant Venture LLC - To register as a sales-based financing provider
BAN20220137	Eduardo G Perez - To acquire 25 percent or more of Equity Prime Mortgage LLC
BAN20220138	John Marshall Bank - To relocate office from 1401 H Street, NW, Washington, DC to 1625 K Street NW, Suite 1050, Washington, DC
BAN20220139	CFG Merchant Solutions, LLC - To register as a sales-based financing provider

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BAN20220140	Score Services LLC - To register as a sales-based financing provider
BAN20220141	Farmers Bankshares, Inc - To open a bank at 50 East Windsor Boulevard, Windsor, Wight County, VA
BAN20220142	Towne Bank - To merge into its Farmers Bankshares, Inc
BAN20220143	Towne Bank - To merge into its Farmers Bank, Windsor, Virginia
BAN20220144	Chevy Chase Trust Company - To open a new independent trust company branch at 8201 Greensboro Road, McLean, VA
BAN20220145	Michael Alan Isaacs - To acquire 25 percent or more of Go Mortgage, LLC
BAN20220146	Ricky Peters, Jr. - To acquire 25 percent or more of Southend Financial, LLC
BAN20220147	Tristan Denha - To acquire 25 percent or more of Estate Financial LLC
BAN20220148	Fintegra, LLC - To register as a sales-based financing provider
BAN20220149	Itria Ventures LLC - To register as a sales-based financing provider
BAN20220150	Soluciones Latinas LLC - To open a check casher at 593 Southlake Boulevard, Suite A, Richmond, VA
BAN20220151	Legend Advance Funding II, LLC d/b/a Legend Funding - To register as a sales-based financing provider
BAN20220152	Summit Community Bank, Inc. - To open a branch at 9757 Phair Way, Manassas, VA
BAN20220153	Nav Technologies, Inc. - To register as a sales-based financing provider
BAN20220154	Retail Capital LLC d/b/a Credibly - To register as a sales-based financing provider
BAN20220155	SellersFunding Corp. - To register as a sales-based financing provider
BAN20220156	Knight Capital Funding III, LLC - To register as a sales-based financing provider
BAN20220157	Towne Bank - To open a branch at 628 Green Valley Road, Suite 101, Greensboro, NC
BAN20220158	First Star Credit, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220159	DriveWealth Holdings, Inc. - To acquire 25 percent or more of DFS GSD Corp.
BAN20220160	Chantilly Market, Inc. d/b/a Chantilly Check Cashing - To open a check casher at 14017 Lee Jackson Memorial Highway, Chantilly, VA
BAN20220161	REGAN NFTY FINANCING, LLC - To acquire 25 percent or more of NFTYDoor LLC
BAN20220162	Levi Siason Santos - To acquire 25 percent or more of On Point Home Loans, Inc.
BAN20220163	Forward Financing LLC - To register as a sales-based financing provider
BAN20220164	Stripe Brokering, Inc. - To register as a sales-based financing provider
BAN20220165	Revenued LLC - To register as a sales-based financing provider
BAN20220166	PEARL DELTA FUNDING, LLC - To register as a sales-based financing provider
BAN20220167	SKY BRIDGE BUSINESS FUNDING, LLC - To register as a sales-based financing provider
BAN20220168	PEARL BETA FUNDING, LLC - To register as a sales-based financing provider
BAN20220169	PEARL ALPHA FUNDING, LLC - To register as a sales-based financing provider
BAN20220170	Funding Metrics, LLC d/b/a Lendini d/b/a Quick Fix Capital - To register as a sales-based financing provider
BAN20220171	BizLender LLC - To register as a sales-based financing provider
BAN20220172	THE LCF GROUP, INC. - To register as a sales-based financing provider
BAN20220173	Shopify Capital Inc. - To register as a sales-based financing provider
BAN20220174	Payability Commercial Factors, LLC - To register as a sales-based financing provider
BAN20220175	LG Funding LLC - To register as a sales-based financing provider
BAN20220176	Clarity Debt Resolution, Inc. - For a license to engage in business as a debt settlement services provider
BAN20220177	McKenzie Capital LLC - To register as a sales-based financing provider
BAN20220178	One Park Financial LLC - To register as a sales-based financing provider
BAN20220179	FNB Bank, Inc - To open a branch at West side of Warrior Drive, Stephens City, VA
BAN20220180	Vox Funding, LLC - To register as a sales-based financing provider
BAN20220181	Byzloan Corp - To register as a sales-based financing provider
BAN20220182	Coast Premier LLC - To register as a sales-based financing provider
BAN20220183	Parafin, Inc. - To register as a sales-based financing provider
BAN20220184	DIRECT CAPITAL SOURCE INC. - To register as a sales-based financing provider
BAN20220185	BYZFUNDER NY LLC d/b/a Tandem d/b/a Nano-FI - To register as a sales-based financing provider
BAN20220186	786 WIRELESS INC. - To open a check casher at 10480 Fairfax Boulevard, Fairfax, VA
BAN20220187	Keith Richardson - To acquire 25 percent or more of Coast2Coast Mortgage, LLC
BAN20220188	AKF Inc - To register as a sales-based financing provider
BAN20220189	Lengenuity LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220190	First National Bank of Pennsylvania - To open a branch at 704 King Street, Alexandria, VA
BAN20220191	Fox Capital Group Inc. - To register as a sales-based financing provider
BAN20220192	Quick Bridge Funding, LLC - To register as a sales-based financing provider
BAN20220193	Toast Capital LLC - To register as a sales-based financing provider
BAN20220194	National Funding, Inc. - To register as a sales-based financing provider
BAN20220195	Clara Capital Servicing LLC. - To register as a sales-based financing provider
BAN20220196	Fora Financial East LLC - To register as a sales-based financing provider
BAN20220197	Global Lending Services LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220198	ROKFI LLC - To register as a sales-based financing provider
BAN20220199	Reliant Services Group, LLC - To register as a sales-based financing provider
BAN20220200	Mission Capital LLC - To register as a sales-based financing provider

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BAN20220201	Direct Funding Now, LLC - To register as a sales-based financing provider
BAN20220202	Duke & Co, LLC - To register as a sales-based financing provider
BAN20220203	Upfront Rent Holdings LLC - To register as a sales-based financing provider
BAN20220204	FleetCor Technologies Operating Company, LLC - To register as a sales-based financing provider
BAN20220205	Merchant Capital Group, LLC - To register as a sales-based financing provider
BAN20220206	Big Think Capital, Inc. - To register as a sales-based financing provider
BAN20220207	Advance Funds Network LLC - To register as a sales-based financing provider
BAN20220208	Corporate Lodging Consultants, Inc. - To register as a sales-based financing provider
BAN20220209	RDM Capital Funding LLC - To register as a sales-based financing provider
BAN20220210	DH & RK INVESTMENTS LLC - To register as a sales-based financing provider
BAN20220211	ROBIN FUNDING GROUP LLC - To register as a sales-based financing provider
BAN20220212	Flexibility Capital Inc. - To register as a sales-based financing provider
BAN20220213	Shore Funding Solutions Inc. - To register as a sales-based financing provider
BAN20220214	Millstone Funding Inc. - To register as a sales-based financing provider
BAN20220215	Preferred Funding LLC - To register as a sales-based financing provider
BAN20220216	RCBH Fund LLC - To register as a sales-based financing provider
BAN20220217	FC CAPITAL HOLDINGS, LLC d/b/a FundCanna - To register as a sales-based financing provider
BAN20220218	Cardiff Inc - To register as a sales-based financing provider
BAN20220219	LOANQO LLC - To register as a sales-based financing provider
BAN20220220	GM Funding LLC - To register as a sales-based financing provider
BAN20220221	NOVUS CAPITAL FUNDING II LLC - To register as a sales-based financing provider
BAN20220222	QualiFI, llc - To register as a sales-based financing provider
BAN20220223	Lionheart Funding LLC - To register as a sales-based financing provider
BAN20220224	Advance Funds Network LLC d/b/a Advance Funds Network - To register as a sales-based financing provider
BAN20220225	Neon NewCo Corporation - To acquire 25 percent or more of NetSpend Corporation
BAN20220226	United Bank - To relocate office from 202 Main Avenue, Weston, WV to 121 East 2nd Street, Weston, WV
BAN20220227	Notable Finance, LLC - For a license to make loans under the provisions of Chapter 15, Title 6.2 of the Code of Virginia
BAN20220228	Good Funding, LLC - To register as a sales-based financing provider
BAN20220229	PWCC Marketplace, LLC - To register as a sales-based financing provider
BAN20220230	Matthew John Hakim - To acquire 25 percent or more of Globe Mortgage, L.L.C.
BAN20220231	Virginia Credit Union, Inc. - To relocate a credit union office from 2300 W Broad Street (DMV), Richmond, VA to 3200 West Broad Street, Suite G, Richmond, VA
BAN20220232	Platform Funding LLC - To register as a sales-based financing provider
BAN20220233	Henrizuez Brother's LLC - To register as a sales-based financing provider
BAN20220234	Accredited business solutions LLC d/b/a The Accredited Group - To register as a sales-based financing provider
BAN20220235	The Funding Family LLC - To register as a sales-based financing provider
BAN20220236	Unique Funding Solutions LLC - To register as a sales-based financing provider
BAN20220237	ADVANCE SERVICING INC. - To register as a sales-based financing provider
BAN20220238	United Capital Source Inc. - To register as a sales-based financing provider
BAN20220239	LendingTree, LLC - To register as a sales-based financing provider
BAN20220240	National Biz LLC - To register as a sales-based financing provider
BAN20220241	FIDELITY FUNDING GROUP LLC - To register as a sales-based financing provider
BAN20220242	TMC Warrant Holdings, LLC - To acquire 25 percent or more of Towne Lending Company
BAN20220243	Cash Internacional LLC - To open a check casher at 212 Eureka Avenue, Virginia Beach, VA
BAN20220244	BUSINESS CAPITAL LLC - To register as a sales-based financing provider
BAN20220245	Upscale Capital LLC - To register as a sales-based financing provider
BAN20220246	Outbound Capital 3 LLC - To register as a sales-based financing provider
BAN20220247	Emerald Hills Capital Management LLC - To register as a sales-based financing provider
BAN20220248	OT Group, LLC d/b/a 5 de Mayo Convenience and Deli - To open a check casher at 11222 Remington Road, Bealton, VA
BAN20220249	Santa Barbara Tax Products Group, LLC - To register as a sales-based financing provider
BAN20220250	Eagle Ikon LLC - To register as a sales-based financing provider
BAN20220251	Loanability, Inc. - To register as a sales-based financing provider
BAN20220252	COCONUT FUNDING CORPORATION - To register as a sales-based financing provider
BAN20220253	SMB COMPASS LLC d/b/a SMB Compass - To register as a sales-based financing provider
BAN20220254	Franklin Finance Company, Incorporated - to relocate a consumer finance office from 410 Tanyard Road, Rocky Mount, Franklin County, VA to 1480 North Main Street, Rocky Mount, Franklin County, VA
BAN20220255	Relief Technologies Inc. - To open a credit counseling office
BAN20220256	Shine Capital Group LLC - To register as a sales-based financing provider
BAN20220257	4 Pillar Consulting, LLC - To register as a sales-based financing provider
BAN20220258	Streamline Funding, LLC - To register as a sales-based financing provider
BAN20220259	Burke & Herbert Bank & Trust Company - To open a branch at 2065 Huguenot Road, North Chesterfield, Chesterfield County, VA
BAN20220260	Ivest 360, LLC - To register as a sales-based financing provider
BAN20220261	PROTO FINANCIAL CORP. - To register as a sales-based financing provider

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BAN20220262	OneMain Financial Group, LLC - to relocate a consumer finance office from 6328 Richmond Highway, Suite J, Fairfax County, VA to 2800 Eisenhower Avenue, Suite 110, City of Alexandria, VA
BAN20220263	Republic Finance, LLC - To open a consumer finance office at 6501 Windcrest Drive, Suite 125, Plano, TX
BAN20220264	Merchant One Solutions LLC - To register as a sales-based financing provider
BAN20220265	Rival Funding, LLC - To register as a sales-based financing provider
BAN20220266	Miguel Angel Balbi - To acquire 25 percent or more of Capital Residential Mortgage L.L.C.
BAN20220267	Agustin Santiago Gentini Mauri - To acquire 25 percent or more of Capital Residential Mortgage L.L.C.
BAN20220268	IMS FUND SOUTH, LLC - To register as a sales-based financing provider
BAN20220269	Barnard & Fifth Capital Group LLC - To register as a sales-based financing provider
BAN20220270	Liberis US Inc. - To register as a sales-based financing provider
BAN20220271	Liquidibee 1 LLC d/b/a Liquidibee LLC d/b/a Liquidibee d/b/a ALTFUNDING.COM - To register as a sales-based financing provider
BAN20220272	AMERIIFI CAPITAL LLC - To register as a sales-based financing provider
BAN20220273	Advance Smart LLC - To register as a sales-based financing provider
BAN20220274	Jaydee Ventures LLC - To register as a sales-based financing provider
BAN20220275	Clear Skies Capital - To register as a sales-based financing provider
BAN20220276	CBI OF MARYLAND INC - To open a check casher at 1611 S Glebe Road, Arlington, VA
BAN20220277	Lendmark Financial Services, LLC - To open a consumer finance office at 954 J Clyde Morris Boulevard, Suite 105, City of Newport News, VA
BAN20220278	Center for Child & Family Services, Inc. d/b/a Consumer Credit Counseling Service of Hampton Roads - To relocate a credit counseling office from 2021 Cunningham Drive, Suite 400, Hampton, VA to 739 Thimble Shoals Boulevard, Suite 400, Newport News, VA
BAN20220279	LEXINGTON CAPITAL HOLDINGS LTD - To register as a sales-based financing provider
BAN20220280	Lending Valley, Inc. - To register as a sales-based financing provider
BAN20220281	CFS CAP, LLC - To register as a sales-based financing provider
BAN20220282	PayPal, Inc. - To register as a sales-based financing provider
BAN20220283	REIL Capital, LLC - To register as a sales-based financing provider
BAN20220284	QFS Capital LLC - To register as a sales-based financing provider
BAN20220285	ESSENTIAL FUNDING GROUP INC - To register as a sales-based financing provider
BAN20220286	Clarify Capital II LLC - To register as a sales-based financing provider
BAN20220287	First Data Merchant Services LLC - To register as a sales-based financing provider
BAN20220288	Matrix Financial Services Corporation - To acquire 25 percent or more of RoundPoint Mortgage Servicing Corporation
BAN20220289	Rapid Financial Services, LLC - To register as a sales-based financing provider
BAN20220290	Commercial Servicing Company, LLC - To register as a sales-based financing provider
BAN20220291	Bitty Advance 2 LLC - To register as a sales-based financing provider
BAN20220292	Hardwick Investors Group LLC - To register as a sales-based financing provider
BAN20220293	Upperline Capital LLC - To register as a sales-based financing provider
BAN20220294	Clear Finance Technology (U.S.) Corp - To register as a sales-based financing provider
BAN20220295	Chesapeake Bank - To relocate an office from 10839 Buckley Hall Road, Mathews, Mathews County, VA to 10458 Buckley Hall Road, Mathews, Mathews County, VA
BAN20220296	VBJ Consulting LLC - To register as a sales-based financing provider
BAN20220297	SECURE CAPITAL SOLUTIONS INC. - To register as a sales-based financing provider
BAN20220298	ARG Business Loans LLC - To register as a sales-based financing provider
BAN20220299	Delmar J. Lewis Trust dated October 25, 2019 - To acquire 25 percent or more of McLean Mortgage Corporation
BAN20220300	RFG USA INC - To register as a sales-based financing provider
BAN20220301	Bridge Capital Services LLC - To register as a sales-based financing provider
BAN20220302	Sunwise Capital, LLC - To register as a sales-based financing provider
BFI-2019-00049	Virginia Bankers Assoc., Farmers Bank, American National Bank & Trust Co., First Bank & Trust Co., First National Bank, Chesapeake Bank and The Bank of Charlotte Co. v. Virginia Credit Union, Inc., <i>et al.</i> - Petition for Rehearing or Reconsideration
BFI-2021-00036	Hashi Money Wiring LLC - Alleged violation of VA Code § 6.2-1907
BFI-2021-00047	Newtown Road Check Cashers, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2021-00051	Shree Ohmkar, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2021-00052	Round Hill Shopping Center, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2021-00053	J&H Oh Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2021-00054	Ibtisam, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2021-00055	Lorena Rojas Gonzalez - Alleged violation of VA Code § 6.2-2103
BFI-2021-00057	Gail Temple Rhodes - Alleged violation of VA Code § 6.2-2103
BFI-2021-00058	United Grocery LLC - Alleged violation of VA Code § 6.2-2103
BFI-2021-00059	La Bodeguita Hispana Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2021-00061	Vision 2036 Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2021-00068	El Rincon Hispano LLC - Alleged violation of VA Code § 6.2-2103
BFI-2021-00069	Sandra Valencia - Alleged violation of VA Code § 6.2-2103
BFI-2021-00071	Gagan Jot Inc.- Alleged violation of VA Code § 6.2-2103

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BFI-2021-00075	Armando Flores - Alleged violation of VA Code § 6.2-2103
BFI-2021-00076	Simarm Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2021-00078	Radhey Investments LLC - Alleged violation of VA Code § 6.2-2103
BFI-2021-00079	La Casita Latino Market Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2021-00083	Z. A. Goraya LLC - Alleged violation of VA Code § 6.2-2103
BFI-2021-00088	Sanghavi Bros., Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2021-00091	Athan & Candy LLC - Alleged violation of VA Code § 6.2-2103
BFI-2021-00094	Emmanuel Investment LLC - Alleged violation of VA Code § 6.2-2103
BFI-2021-00097	Cairo Mart LLC - Alleged violation of VA Code § 6.2-2103
BFI-2021-00098	Wong Pineda by Bansy LLC - Alleged violation of VA Code § 6.2-2103
BFI-2021-00102	LemonBrew Technologies Corp. - Alleged violation of VA Code § 6.2-1608
BFI-2021-00103	German Florez - Alleged violation of VA Code § 6.2-1608
BFI-2021-00108	Home Mortgage Alliance Corporation - Alleged violation of VA Code § 6.2-1624
BFI-2021-00109	Titan Mutual Lending Inc. d/b/a Entrust Funding - Alleged violation of VA Code § 6.2-1624
BFI-2021-00112	Jonathan Cave - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2021-00113	Anthony Corkill - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2021-00114	Danyelle Drenk - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2021-00116	Kimberly Rojas - For approval of a multi-state Settlement Agreement and Consent Order.
BFI-2021-00117	Britney Velasquez - For approval of a multi-state Settlement Agreement and Consent Order.
BFI-2021-00118	Timothy Williams - For approval of a multi-state Settlement Agreement and Consent Order.
BFI-2021-00119	Erik Board - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2021-00120	Peter Diferdinand - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2021-00121	Robert Drenk - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2021-00122	James Kott - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2021-00123	Samuel Stamper - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00001	Rodrigo Ballon - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00002	Ali Borazjani - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00003	Christoffer Groves - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00004	Michael Hamalak - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00005	Kevin Heckemeyer - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00006	Vance Hivoral - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00007	Gregory Kaczmariski - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00008	Xuan Nguyen - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00009	Casey Peek - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00010	Larry Resnik - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00011	Brian Santos - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00012	Kelly Schaar - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00013	Joseph Shalaby - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00014	Montee Skorich - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00015	Jason Soldati - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00016	Michael Barrios - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00017	Brian Brown - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00018	Robert Hostetler - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00019	Nathan Kowarsky - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00020	Vipul Hapani - Alleged violation of VA Code § 6.2-1608
BFI-2022-00021	Chirag Rachhadia - Alleged violation of VA Code § 6.2-1608
BFI-2022-00022	Chad Baker - For approval of a multi-state Settlement Agreement and Consent Order
BFI-2022-00024	Alexander Mavroulis - Alleged violation of VA Code § 6.2-1608
BFI-2022-00025	In re: Order Assessing Annual Fees Paid by Debt Settlement Service Providers under Chapter 20.1 of Title 6.2 of the Code of Virginia
BFI-2022-00026	In re: Order Assessing Annual Fees Paid by Qualified Education Loan Services under Chapter 26 of Title 6.2 of the Code of Virginia
BFI-2022-00029	Effortless Holdings Inc. - Alleged violation of VA Code § 6.2-1608
BFI-2022-00031	Mortgage Assessment & Reduction - For the assessment of fees to be paid by licensees under Chapter 16 of Title 6.2 of the Code of Virginia
BFI-2022-00032	Consumer Finance Assessment - Finance companies under Chapter 15 of Title 6.2 of the Code of Virginia to be assessed for 2022
BFI-2022-00033	Clifton Auerswald - Alleged violation of VA Code § 6.2-1608
BFI-2022-00034	Assessment of Credit Counseling Agencies pursuant to VA Code §§ 6.2-2012, <i>et al.</i>
BFI-2022-00035	Ex Parte: In the matter of Adopting Regulations Governing Sales-Based Financing under Chapter 22.1 of Title 6.2 of the Code of Virginia
BFI-2022-00063	Annual Assessment and reduction of banks and savings institutions under VA Code § 6.2
BFI-2022-00064	Annual Assessment of industrial loan associations under VA Code § 6.2
BFI-2022-00066	BGW Mortgage LLC - Alleged violation of VA Code § 6.2-1619
BFI-2022-00067	PWC Employees Credit Union - Petition for Declaratory Judgment and Other Relief Pursuant to 5 VAC5-20-100

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BFI-2022-00069	Extraordinary Mortgage Company - Alleged violation of VA Code § 6.2-1612 B; 10 VAC 5-160-50 B and 10 VAC 5-160-90 B
BFI-2022-00071	Relo Group, Inc. - Alleged violation of VA Code § 6.2-1608
BFI-2022-00072	Black Stag Holdings LLC - Alleged violation of VA Code § 6.2-1610
BFI-2022-00084	Virginia Financial Services Association, <i>et al.</i> - Petition for Declaratory Judgment and Other Relief
BFI-2022-00111	LendingHero LLC - Alleged violation of VA Code §§ 6.2-1610, <i>et al.</i>
BFI-2022-00117	Hance Thurston - Alleged violation of VA Code § 6.2-1608
<b>CLK</b>	<b>CLERK'S OFFICE</b>
CLK-2022-00001	Administrative Order designating supervision of divisions to the members of the Commission as provided
CLK-2022-00002	Election of Chairman pursuant to VA Code § 12.1-17
<b>INS</b>	<b>BUREAU OF INSURANCE</b>
INS-2018-00001	Kilgo Insurance, LLC, and Jason I. Kilgo - Alleged violation of VA Code §§ 38.2-1831 (10), <i>et al.</i>
INS-2019-00011	Marco Joseph Limandri and Big Marco Insurance and Bonding Services LLC - Alleged violation of VA Code §§ 38.2-1813, <i>et al.</i>
INS-2020-00054	Lawrence Matthew Urgo and All Claims Pro LLC f/k/a Fiber Consultants LLC - Alleged violation of VA Code §§ 38.2-1845.10 (2) (7) (10), 38.2-1845.12 J, 38.2-1845.13 A 12, 38.2-1845.13 B, C, 38.2-1845.14 G, 13.2-1845.15, 38.2-1845.18, 38.2-1845.23
INS-2020-00161	Lenoris Wendell Jones, Jr. - Alleged violation of VA Code § 38.2-1826
INS-2021-00115	Te-Aria Mahaney - Alleged violation of VA Code § 38.2-1831 (1)
INS-2021-00118	Amal Abusoud - Alleged violation of VA Code § 38.2-1831 (1)
INS-2021-00120	North Carolina Mutual Life Insurance Company
INS-2021-00135	Central Title and Escrow Inc. - Alleged violation of VA Code §§ 55.1-903, <i>et al.</i> ; 14 VAC 5-395-50 (D) and 14 VAC 5-395-60 (A) (C)
INS-2021-00136	Vista Abstract Inc. - Alleged violation of VA Code §§ 38.2-1822 (C), 55.1-1004 (A) and 55.1-1014 (A); 14 VAC 5-395-30 (A)
INS-2021-00141	Tiffany Smith - Alleged violation of VA Code § 38.2-1831 (1)
INS-2021-00144	Manuel L. Sanabria / Sanabria Insurance Group LLC - Alleged violations of VA Code §§ 38.2-518 F, 38.2-1813 B
INS-2021-00146	Donald Maurello - Alleged violation of VA Code § 38.2-1831 (1)
INS-2021-00147	Scott Kirk Shriver - Alleged violations of VA Code §§ 38.2-501 (1), 38.2-512 (A)
INS-2021-00148	James Samuel Bekhor - Alleged violation of VA Code § 38.2-1826
INS-2021-00149	Courtney Chasten - Alleged violation of VA Code § 38.2-1831 (1)
INS-2021-00150	Shamia M. McNeal - Alleged violation of VA Code § 38.2-1831 (1)
INS-2021-00151	Robert Lewis Stewart - Alleged violation of VA Code § 38.2-1826
INS-2021-00152	Albert Paul Venegas - Alleged violation of VA Code § 38.2-1831 (1)
INS-2021-00153	Zoe West - Alleged violation of VA Code §§ 38.2-1826 B & C
INS-2021-00154	Daniel Evan Jossen - Alleged violation of VA Code §§ 38.2-502, 38.2-1838 A.1 and 38.2-1838 A.2
INS-2022-00001	New Enterprise Associates 17, L.P. - Form A Filing for Acquisition of Control of LifeWorks Advantage, LLC
INS-2022-00002	Clear Spring Health (VA), Inc. - Request for a Form A Exemption under Va. Code § 38.2-1328
INS-2022-00003	Atlantic Closing & Escrow LLC - Alleged violation of VA Code §§ 55.1-1004, <i>et al.</i>
INS-2022-00004	Crystal May Marlowe - Alleged violation of VA Code § 38.2-1813
INS-2022-00005	Andrea Campbell - Alleged violation of VA Code § 38.2-1826
INS-2022-00006	Todd Charles Danner - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2022-00007	Garrison Property & Casualty Insurance Company, United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Company - Alleged violation of VA Code §§ 38.2-510 A 1, <i>et al.</i>
INS-2022-00008	Changqing Chen - Alleged violation of VA Code § 38.2-512 A
INS-2022-00009	Pamela Brown - Alleged violation of VA Code §§ 38.2-512, <i>et al.</i>
INS-2022-00010	Venica Blakely - Alleged violation of VA Code §§ 38.2-1826 A & C
INS-2022-00011	Steven Jean - Alleged violation of VA Code § 38.2-1826
INS-2022-00012	Olvin Rolando Moreno-Martinez and Hispanos de Exito LLC - Alleged violation of VA Code §§ 38.2-1812 (B) and 38.2-1822 (A) (B)
INS-2022-00015	Gina Kidd - Alleged violation of VA Code §§ 38.2-512 (A), <i>et al.</i>
INS-2022-00017	Alberto Jose Vargas - Alleged violation of VA Code §§ 38.2-512 (A), <i>et al.</i>
INS-2022-00018	Michael Diblasi - Alleged violation of VA Code §§ 38.2-502 (1), 38.2-512 (B), 38.2-1826 (C) and 38.2-1831 (10)
INS-2022-00020	Kellena Brown - Alleged violation of VA Code § 38.2-1826
INS-2022-00021	Morgan Lari McCall - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2022-00022	Christopher Schneider - Alleged violation of VA Code § 38.2-1826
INS-2022-00023	In the Matter of Amending Rules Governing Advertisement of Life Insurance and Annuities
INS-2022-00025	Jennifer Ana Villatoro - Alleged violation of VA Code § 38.2-1813
INS-2022-00026	Amy Nicole Smith - Alleged violation of VA Code §§ 38.2-512, <i>et al.</i>
INS-2022-00027	ServiceLink LLC - Alleged violation of VA Code §§ 55.1-903, <i>et al.</i>
INS-2022-00028	Franklin Title Company LLC - Alleged violation of VA Code §§ 55.1-1004 (A) and 55.1-1008 (A)
INS-2022-00029	Bryan E. Reid - Alleged violation of VA Code § 38.2-512 A

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INS-2022-00030	BMS Consulting Group LLC, BMS Consulting Inc., Coastal Equities Insurance Agency Inc., Harvest Insurance Agency LLC and Paladin Data Insurance Corp.- Alleged violation of VA Code §§ 38.2-1820 B2, 38.2-1826 E
INS-2022-00031	Ratified Title Group Inc. - Alleged violation of VA Code §§ 55.1-1004 (A), 55.1-1008 (A) and 38.2-1813 (A)
INS-2022-00032	Allied Title & Escrow LLC - Alleged violation of VA Code §§ 55.1-903, <i>et al.</i>
INS-2022-00033	Passport Title Services LLC - Alleged violation of VA Code §§ 55.1-1004 (A); 55.1-1008 (A) and 14 VAC 5-395-60 (C)
INS-2022-00034	GEICO Advantage Ins. Co., GEICO Choice Ins. Co., and GEICO Secure Ins. Co. - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00035	Bay County Settlements Inc - Alleged violation of VA Code §§ 38.2-1820 (B)(2), <i>et al.</i>
INS-2022-00036	MBH Settlement Group LC - Alleged violation of VA Code §§ 38.2-55.1-1004 (A), <i>et al.</i>
INS-2022-00037	Premiere Title and Escrow LLC - Alleged violation of VA Code §§ 38.2-1809 U(B), <i>et al.</i>
INS-2022-00038	Roshunda Stone - Alleged violation of VA Code § 38.2-1826
INS-2022-00039	Dominion Capital Title LLC - Alleged violation of VA Code §§ 55-1004 (A), <i>et al.</i>
INS-2022-00040	In Re: In the matter of presentations of premium rates in connection with individual and small group health insurance coverage
INS-2022-00041	Angel Garza - Alleged violation of VA Code § 38.2-1809
INS-2022-00042	Marquan Hughes - Alleged violation of VA Code §§ 38.2-1822 A, <i>et al.</i>
INS-2022-00043	Kristen N Jowett Little - Alleged violation of VA Code § 38.2-1822 (A)
INS-2022-00044	Erica Alison McGill - Alleged violation of VA Code §§ 38.2-512(A), <i>et al.</i>
INS-2022-00045	David Lawson Echelberger - Alleged violation of VA Code §§ 38.2-1831 (1), <i>et al.</i>
INS-2022-00046	Asia Renee Beard - Alleged violation of VA Code § 38.2-1826 A C
INS-2022-00047	Title One && Escrow Inc. - Alleged violation of VA Code §§ 55.1-903, 55.1-1004 (A) (C), 55.1-1008 (A); 14 VAC 5-395-70 (A) (C)
INS-2022-00048	American Eagle Title & Escrow Services Inc. - Alleged violation of VA Code § 55.1-1004
INS-2022-00049	Gerber Life Insurance Company - Alleged violation of §§ 38.2-316 A, 38.2-316 B, 38.2-316 C 1, <i>et al.</i>
INS-2022-00050	Title Town Settlements LLC - Alleged violation of VA Code §§ 55.1-1004, <i>et al.</i>
INS-2022-00051	Farmers Insurance Exchange, Mid-Century Insurance Company and Truck Insurance Exchange - Alleged violation of VA Code § 38.2-304 A
INS-2022-00052	Calatlantic National Title Solutions LLC - Alleged violation of the VA Code § 55.1-1004 (C)
INS-2022-00053	Darryl B Greene Jr. - Alleged violation of VA Code § 38.2-1826
INS-2022-00054	Lateef Muhammad - Alleged violation of VA Code § 38.2-1826
INS-2022-00055	Gabrielle Dominique Portis - Alleged violation of VA Code § 38.2-1826
INS-2022-00056	Clendon Brown - Alleged violation of VA Code § 38.2-1831 (1)
INS-2022-00057	Michael Benjamin Burns - Alleged violation of VA Code §§ 38.2-502 (1) (6), <i>et al.</i>
INS-2022-00058	Julia Chavis - Alleged violation of VA Code § 38.2-1826
INS-2022-00060	Pichinda Horn Lackey - Alleged violation of VA Code § 38.2-1826
INS-2022-00061	Morris Pete Windless Jr - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2022-00062	Lee-Ann Young - Alleged violation of VA Code § 38.2-1831 (1)
INS-2022-00063	Jerimie Ernest Archie - Alleged violation of VA Code §§ 38.2-1826, <i>et al.</i>
INS-2022-00064	Time Insurance Company & John Hancock Life Insurance Company (USA) - For approval of an assumption agreement pursuant to VA Code § 38.2-136 C
INS-2022-00065	Robert Holland - Alleged violation of VA Code § 38.2-1826
INS-2022-00066	Jeffrey Pollard - Alleged violation of VA Code § 38.2-1826
INS-2022-00067	Orlando Ventura - Alleged violation of VA Code § 38.2-1826
INS-2022-00068	Randy Matthew Vojvoda - Alleged violation of VA Code § 38.2-1826
INS-2022-00069	National Council on Compensation Insurance, Inc. - For revisions of advisory loss costs and assigned risk workers' compensation insurance rates 2022
INS-2022-00070	American Modern Home Insurance Company - Alleged violation of VA Code §§ 38.2-317 and 38.2-1906 D
INS-2022-00071	Time Insurance Company and Talcott Resolution Life and Annuity Insurance Company pursuant to VA Code § 38.2-136 C
INS-2022-00072	In the matter of Amending the Rules Governing Insurance Holding Companies
INS-2022-00073	In the matter of Repealing and Adopting Rules Governing Individual and Small Group Market Health Benefit Plans and Excepted Benefits Policies
INS-2022-00074	Selective Insurance Company of South Carolina - Alleged violation of VA Code § 14 VAC 5-400-70
INS-2022-00075	Builders Insurance Group, Inc. - Application for Approval of Acquisition of Control of or Merger with a Domestic Insurer pursuant to § 38.2-1323of the Code of Virginia 14 VAC 5-260 of VA Admin. Code
INS-2022-00076	Berkshire Hathaway Homestate Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00077	Counsel Title LLC - Alleged violation of VA Code §§ 55.1-1004 (A), <i>et al.</i>
INS-2022-00078	Alliance Insurance LLC - Alleged violation of VA Code §§ 38.2-512 (A), <i>et al.</i>
INS-2022-00080	Donnis Coke - Alleged violation of VA Code § 38.2-1931 (1)
INS-2022-00081	Elias J. Cosma - Alleged violation of VA Code §§ 38.2-1809; 38.2-1826 A
INS-2022-00082	Kristina Renee Godfrey - Alleged violation of VA Code § 38.2-1826
INS-2022-00083	Abdi Jean Pierre - Alleged violation of VA Code § 38.2-1831 (1)
INS-2022-00084	Makiyah McGruder - Alleged violation of VA Code §§ 38.2-1826 A; 38.2-1831 (1)
INS-2022-00086	Andres Toro - Alleged violation of VA Code § 38.2-1809; 38.2-1831 (1)
INS-2022-00087	Nicholas Vanvonderen - Alleged violation of VA Code § 38.2-1831 (1)



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INS-2022-00088	Zachary Aidi - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2022-00089	William Brault - Alleged violation of VA Code § 38.2-1831 (1) (9)
INS-2022-00091	Leslie M. Fontenot - Alleged violation of VA Code § 38.2-1831 (1) (9)
INS-2022-00092	Kodie Jerome Hertel - Alleged violation of VA Code § 38.2-1831 (1) (9)
INS-2022-00093	Karen Jacobsen - Alleged violation of VA Code § 38.2-1845.2 (A)
INS-2022-00094	Dalphani Lavonne Rogers - Alleged violation of VA Code § 38.2-1831 (1)
INS-2022-00095	William Thomas Sutphin - Alleged violation of VA Code §§ 38.2-512, 38.2-1812.2 and 38.2-1822
INS-2022-00098	Bethesda Title & Escrow LLC - Alleged violation of VA Code §§ 55.1-1004 (A), 55.1-1008 (A), 55.1-1008 (B) (1) and 55.1-1011
INS-2022-00099	CLA Company Inc. - Alleged violation of VA Code §§ 55.1-903, 55.1-1004 (A), 55.1-1008 (A); 14 VAC 5-395-60 (A)
INS-2022-00100	Elevated Title LLC - Alleged violation of VA Code § 38.2-1813 (A)
INS-2022-00102	National Link LP - Alleged violation of VA Code §§ 38.2-1825 (F), <i>et al.</i>
INS-2022-00103	RGS Title LLC - Alleged violation of VA Code §§ 55.1-1004 (A) and 55.1-1008 (A)
INS-2022-00104	UT Citywide LLC - Alleged violation of VA Code §§ 55.1-1004 (A) and 55.1-1008 (A)
INS-2022-00105	Gina M. Anians - Alleged violation of VA Code § 38.2-1831 (1)
INS-2022-00107	Christian Moshi - Alleged violation of VA Code § 38.2-1831 (1)
INS-2022-00108	Joseph M. Tenuta - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2022-00110	Adam Abdullah - Alleged violation of VA Code § 38.2-1819
INS-2022-00111	Tami DeLong - Alleged violation of VA Code § 38.2-1826
INS-2022-00112	Mario Humberto Pinzon - Alleged violation of VA Code § 38.2-1826
INS-2022-00113	Timothy Francis Prem Jr - Alleged violation of VA Code § 38.2-1826
INS-2022-00114	Seek Insurance Services Inc - Alleged violation of VA Code § 38.2-1826
INS-2022-00115	ACE American Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00116	FBAlliance Insurance Inc. - Alleged violation of VA Code § 38.2-1906 A
INS-2022-00117	Titlevest Agency LLC - Alleged violation of VA Code §§ 55.1-903, <i>et al.</i>
INS-2022-00118	Closing USA LLC - Alleged violation of VA Code §§ 55.1-1004, <i>et al.</i>
INS-2022-00119	Millers Capital Insurance Company - Alleged violation of VA Code § 38.2-1906 A
INS-2022-00120	Eve's Bail Bonds & Eve Marie Parham - Alleged violation of VA Code §§ 38.2-1804, <i>et al.</i>
INS-2022-00121	Pest Eliminators LLC & Mark Thomas Farmer - Alleged violation of VA Code § 38.2-518 (F)
INS-2022-00122	Randall D Plummer & Plummer Bail Bonds LLC - Alleged violation of VA Code §§ 38.2-1812.2 (1), <i>et al.</i>
INS-2022-00123	Tiffany Smith - Alleged violation of VA Code § 38.2-1809
INS-2022-00124	Allstate Property & Casualty Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00125	Quality Title LLC - Alleged violation of VA Code §§ 55.1-1004 (A), <i>et al.</i>
INS-2022-00126	Freedom Title Group LLC - Alleged violation of VA Code § 55.1-1009.1
INS-2022-00127	Travelers Personal Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00128	Capital Area Title LLC - Alleged violation of VA Code § 55.1-903
INS-2022-00129	Chubb National Insurance Company and Federal Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00130	Hartford Casualty Insurance Company, Hartford Insurance Company of the Midwest and Hartford Accident & Indemnity Company - Alleged violation of VA Code §§ 38.2-1906 A and 38.2-317
INS-2022-00131	Berkley National Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00132	Anthem Blue Cross and Blue Shield and Healthkeepers, Inc. - Petition to Appeal the Decision of Arbitrator Maximus, Inc.
INS-2022-00133	Evette Nolano - Alleged violation of VA Code §§ 38.2-1826, <i>et al.</i>
INS-2022-00134	Anthem Blue Cross and Blue Shield and Healthkeepers, Inc. - Petition to Appeal the Decision of Arbitrator Maximus, Inc.
INS-2022-00138	Alleged violation of VA Code §§ 38.2-1826; 38.2-1931 (1) (9)
INS-2022-00139	SMS Group Inc - Alleged violation of VA Code §§ 55.1-1004, <i>et al.</i>
INS-2022-00140	Hunter Chase Dawson and Affordable Bail Bonding LLC - Alleged violation of VA Code §§ 12.1-33, <i>et al.</i>
INS-2022-00141	Westfield Insurance Company and Westfield National Insurance Company - Alleged violation of VA Code § 38.2-2206
INS-2022-00142	Hartford Casualty Insurance Company, Trumbull Insurance Company, Twin Fire Insurance Company and Property Casualty Insurance Company of Hartford - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00143	Central Mutual Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00146	Mindy Carpenter - Alleged violation of VA Code §§ 38.2-1826 C and 38.2-1831 (1) (9)
INS-2022-00147	Nicholas Meyer - Alleged violation of VA Code § 38.2-1819 A
INS-2022-00148	Johnnie Turner - Alleged violation of VA Code § 38.2-1831 (1)
INS-2022-00150	Sapan Niranjana Shah - Alleged violation of VA Code § 38.2-1826
INS-2022-00151	Church Mutual Insurance Company, S.I. - Alleged violation of VA Code §§ 38.2-317 H and 38.2-1906 D
INS-2022-00153	Frederick Mutual Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00154	In the matter of amending Rules Governing Standards for the Content of Dwelling Property Insurance Policies and Rules Governing Standards for the Content of Homeowners Insurance Policies
INS-2022-00156	Brendan J. Laing - Alleged violation of VA Code § 38.2-1831 (1)
INS-2022-00159	Amir Askew - Alleged violation of VA Code § 38.2-1826 C
INS-2022-00160	Raashawyn Bush - Alleged violation of VA Code § 38.2-1826 C

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INS-2022-00161	Darryl Greenidge - Alleged violation of VA Code § 38.2-1826 C
INS-2022-00163	Beaujoulais C Rodriguez - Alleged violation of VA Code §§ 38.2-1826 C, <i>et al.</i>
INS-2022-00165	Selective Insurance Company of South Carolina, Selective Insurance Company of the Southeast, Selective Insurance Company of America and Selective Way Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2022-00166	Deondra Abrams - Alleged violation of VA Code §§ 38.2-1826 A and 38.2-1831 (1)
INS-2022-00167	Levi Angel Almonte - Alleged violation of VA Code § 38.2-1826 C
INS-2022-00168	Melissa N. Cabrera - Alleged violation of VA Code § 38.2-1826 C
INS-2022-00170	Michael Lewis - Alleged violation of VA Code § 38.2-1826 C
INS-2022-00172	Paige Lauren McDermott - Alleged violation of VA Code § 38.2-1826 C
INS-2022-00173	Anthony Moore - Alleged violation of VA Code § 38.2-1826 C
INS-2022-00174	Cynthia Anne Moore - Alleged violation of VA Code §§ 38.2-1813 A, 38.2-512 B and 38.2-1809
INS-2022-00175	Milo D. Perrault - Alleged violation of VA Code § 38.2-1826 C
INS-2022-00178	Randy Lee Williams - Alleged violation of VA Code § 38.2-1826 C
INS-2022-00185	Nathan Cosby - Alleged violation of VA Code § 38.2-1826
<b>PST</b>	<b>PUBLIC SERVICE TAXATION</b>
PST-2022-00001	Appalachian Power Company - Supplemental Assessment for Tax Years 2019, 2020, and 2021
PST-2022-00002	Appalachian Power Company - Supplemental Assessment for Tax Year 2021
PST-2022-00003	Central Virginia Electric Cooperative - Supplemental Assessment for Tax Year 2021
PST-2022-00004	The Assessment of Special Regulatory Revenue Tax on Motor Vehicle Carriers and Virginia Pilot's Association for the Tax Year 2022
PST-2022-00005	The Assessment of the Special Regulatory Revenue Tax on Telecommunications Companies for the Tax Year 2022
PST-2022-00006	The Assessment of Special Regulatory Revenue Tax and the State License Tax on Water Companies for the Tax Year 2022
PST-2022-00007	The Assessment of the Special Regulatory Revenue Tax on Railroad Companies for the Tax Year 2022
PST-2022-00008	The Assessment of the Gross Receipts Subject to the Minimum Tax on Telecommunications Companies and Certain Electric Suppliers for the Tax Year 2022
PST-2022-00009	The Assessment of the Rolling Stock on Motor Carriers for the Tax Year 2022
PST-2022-00010	B-A-R-C Electric Cooperative - Supplemental Assessment for GRs subject to Min. Tax for TY 2021
PST-2022-00011	Central Virginia Electric Cooperative - Supplement Assessment for GRs subject to Min. Tax for TYs 2020 and 2021
PST-2022-00012	J Diamond, Inc. d/b/a Agape Travel and Tours - Supplemental Assessment for Tax Year 2021
PST-2022-00013	The Assessment of Water, Light, and Power Corporations; Electric Suppliers; Pipeline Distribution Companies, and Telecommunications Companies for the 2022 Tax Year
PST-2022-00014	Columbia Gas of Virginia, Inc. - Supplemental Assessment for Tax Years 2019, 2020, and 2021. 0.71 acres of land
PST-2022-00015	Columbia Gas of Virginia, Inc. - Supplemental Assessment for Tax Years 2019, 2020, and 2021. 0.01 acres of land
PST-2022-00016	Aqua Virginia, Inc. - Supplemental Assessment for Tax Year 2022. Correction to assessment of pollution control
PST-2022-00017	Commonwealth Chesapeake Company, LLC - Supplemental Assessment Order for Tax Years 2019, 2020, 2021, and 2022 for unreported vehicle
PST-2022-00018	Crown Castle Fiber LLC - Supplement Assessment for Tax Year 2022 to correct percent good factor
PST-2022-00019	AT&T CORP. - Supplemental Assessment Order - Correction to the Commission's Assessment for Tax Year 2022
PST-2022-00020	Fusion Connect LLC - Supplemental Assessment for Tax Year 2022 for omitted property
PST-2022-00021	Kentucky Utilities Company - Supplemental Assessment Order - Correction to the Commission's Assessment for Tax Year 2022
PST-2022-00022	Public Service Companies within Prince William County - Supplemental Assessment for taxation of public service company property within Bull Run Mountain, Lake Jackson, and Occoquan Forest Sanitary Districts for the Tax Year 2022
PST-2022-00023	James River Bus Lines - Supplemental Assessment of Gross Revenues for Tax Years 2019, 2020, 2021, 2022
PST-2022-00024	Highland Telephone Cooperative - Correction of the Commission's Assessment for the Tax Year 2022
PST-2022-00026	J Diamond, Inc. d/b/a Agape Travel and Tours - Supplemental Assessment on Gross Revenues for Tax Years 2019, 2020, 2021, and 2022
PST-2022-00027	Peerless Network of Virginia, LLC - Supplemental Assessment to correct Commission assessment of the Company for Tax Year 2022
PST-2022-00028	Virginia Natural Gas, Inc. - Supplemental Assessment for Taxation of Omitted Land for Tax Years 2019, 2020, 2021, 2022
<b>PUR</b>	<b>PUBLIC UTILITY REGULATION</b>
PUR-2021-00301	Columbia Gas of Virginia, Inc. - For approval of a proposal to establish an economic development program to acquire utility rights-of-way for qualified economic development sites pursuant to § 56-235.12 of the Code of Virginia
PUR-2022-00001	Appalachian Power Company - For approval of a rate adjustment clause, the E-RAC, for costs to comply with state and federal environmental regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia

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PUR-2022-00002	Atmos Energy Corporation - Annual Informational Filing for year ending 2021
PUR-2022-00003	Rappahannock Electric Cooperative & Rappahannock Electric Communications, Inc. - Application and Request for Expedited Consideration
PUR-2022-00004	BIF IV Intrepid OpCo LLC - Application for Certificates of Public Convenience and Necessity to Provide Facilities-Based and Resold Competitive Local Exchange and Interexchange Telecommunications Services in the Commonwealth of Virginia
PUR-2022-00005	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Northern Virginia Electric Cooperative - For a revision of service territory boundary lines under the Utility Facilities Act
PUR-2022-00006	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations pursuant to VA Code § 56-585.1 A 5 e
PUR-2022-00007	Virginia-American Water Company and AW Insurance LLC - Application for approval of insurance related arrangement under Chapter 4 of Title 56 of the Code of Virginia
PUR-2022-00008	Barr Tell USA, Inc. - Application for Certificate of Public Convenience and Necessity to Offer Local Exchange Telecommunications Service as a Facilities based Competitive Local Exchange Carrier
PUR-2022-00009	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & BARC Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2022-00010	Roanoke Gas Company - Application for an Annual Informational Filing
PUR-2022-00011	Virginia Natural Gas, Inc. - For approval of an amendment to its conservation and ratemaking efficiency plan
PUR-2022-00012	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Aviator 230 kV Line Loop and Aviator Substation
PUR-2022-00013	Good Energy, LP - Application to become a licensed aggregator in the Commonwealth of Virginia
PUR-2022-00014	Appalachian Power Company - For approval of T- RAC
PUR-2022-00015	American Operations Corporation, JLC Communications I LLC, JLC Infrastructure Fund I LLC, JLC Holdco LLC and AOC Connect, LLC - Joint Petition for Approval of Transfer of Indirect Control of AOC Connect, LLC from American Operations Corporation to JLC DC
PUR-2022-00016	KKR Aubergine Inc., KKR & Co., Inc. & Metro FiberNet, LLC - Joint Application for Approval of Proposed Changes in Indirect Minority Ownership & Control of Metro Fibernet, LLC Pursuant to Va. Code § 56-88 <i>et seq.</i>
PUR-2022-00017	VA Shared Solar, LLC - For Licensure as a Non-Exempt Shared Solar Subscriber Organization
PUR-2022-00018	Virginia Natural Gas, Inc. and The Southern Company - For approval to enter into a tax allocation agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2022-00019	Central Virginia Electric Cooperative & Central Virginia Services, Inc. - Joint Application for approval pursuant to Title 56, Chapter 3 & Chapter 4 of the Code of Virginia
PUR-2022-00020	Appalachian Power Company - For Approval of a Broadband Rate Adjustment Clause
PUR-2022-00021	Kentucky Utilities Company d/b/a Old Dominion Power Company - Application to Revise its Fuel Factor
PUR-2022-00022	Via Energy Solutions, LLC - Application for License to become a Competitive Service Provider
PUR-2022-00023	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Community Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2022-00024	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2022-00025	Virginia Electric and Power Company and Sol Madison Solar, LLC - Application for approval to enter into an affiliate agreement Pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2022-00026	APB Partners Culpeper, LLC - Application for authority to provide competitive local exchange service in the Commonwealth of Virginia
PUR-2022-00027	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Nimbus 230 kV Line Loop and Nimbus Substation and 230 kV Farmwell-Nimbus Transmission Line
PUR-2022-00028	APB Partners Hanover, LLC - Application for authority to provide local exchange telecommunications services in the Commonwealth of Virginia
PUR-2022-00029	APB Partners Middlesex, LLC - Application for authority to provide local exchange telecommunications services in the Commonwealth of Virginia
PUR-2022-00030	APB Partners Valley, LLC - Application for authority to provide local exchange telecommunications services in the Commonwealth of Virginia
PUR-2022-00031	APB Partners Pulaski, LLC - Application for authority to provide local exchange telecommunications services in the Commonwealth of Virginia
PUR-2022-00032	APB Partners Loudoun, LLC - Application for authority to provide local exchange telecommunications services to the Commonwealth of Virginia
PUR-2022-00033	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider CCR, for the recovery of costs incurred to comply with VA Code § 10.1-1402.03 and 56-585.1 A 5 e
PUR-2022-00034	Nova Fiber, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia
PUR-2022-00035	Virginia Natural Gas, Inc. - For approval of its 2022 annual update to Rate Schedule PT-1
PUR-2022-00036	Columbia Gas of Virginia, Inc. - For authority to increase rates and charges and to revise the terms and conditions applicable to gas service
PUR-2022-00037	Kentucky Utilities Company d/b/a Old Dominion Power Company - For approval of Utility Financing
PUR-2022-00038	Kentucky Utilities Company d/b/a Old Dominion Power Company - Verified Application for an Order Authorizing an Amendment to a Money Pool Agreement with an Affiliate
PUR-2022-00039	CPV Retail Energy LP - For CSP of electricity
PUR-2022-00041	Virginia Electric and Power Co d/b/a Dominion Energy Virginia and Rappahannock Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act

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PUR-2022-00042	Shenandoah Valley Electric Cooperative & Virginia Electric and Power Company d/b/a Dominion Energy Virginia - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2022-00043	Atmos Energy Corporation - Application for expedited approval of a special contract for gas transportation service pursuant to § 56-235.2 of the Code of Virginia
PUR-2022-00044	Zenith Solar, LLC - For an amended and reissued permit to operate an energy storage facility
PUR-2022-00045	Ex Parte: Incorporating language to establish a self-certification process for resources seeking to qualify as low-income projects pursuant to VA Code § 56-585.5 C, and considering additional GATS-related questions
PUR-2022-00046	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2022-00047	Atmos Energy Corporation - Application for Approval of a SmartChoice Carbon Offset Rider
PUR-2022-00048	BARC Electric Cooperative - Application for General Rate Increase
PUR-2022-00049	Appalachian Natural Gas Distribution Company - Petition for Declaratory Judgment
PUR-2022-00050	Community Electric Cooperative - For approval to obtain financing
PUR-2022-00051	Appalachian Power Company - 2022 Integrated Resource Plan Filing
PUR-2022-00052	Virginia Natural Gas - For a general rate increase and authority to revise Terms and Conditions
PUR-2022-00053	Lingo Management, LLC, <i>et al.</i> - Joint Application for approval of proposed transfer of control of Bullseye Telecom of Virginia, LLC pursuant to Va. Code § 56-88 <i>et seq.</i>
PUR-2022-00054	Washington Gas Light Company - For authority to increase existing rates and charges and to revise the terms and conditions applicable to gas service pursuant to VA Code § 56-237
PUR-2022-00056	Mecklenburg Electric Cooperative - Application for approval of modifications to Schedule RTO
PUR-2022-00057	New Cingular Wireless PCS, LLC and Pembroke Telephone Cooperative - Wireless Traffic Exchange Agreement
PUR-2022-00058	New Cingular Wireless PCS, LLC and Burke's Garden Telephone Company - Wireless Traffic Exchange Agreement
PUR-2022-00059	Matrix Telecom of Virginia LLC - Application for Company Name Change
PUR-2022-00060	Washington Gas Light Company - Application for Approval of Revised Service Agreement
PUR-2022-00061	ACN Communication Services Virginia, L.L.C. - Petition for Approval to Transfer Control to ACN Communication Services, LLC
PUR-2022-00062	Virginia Electric and Power Company - For approval of new broadband capacity projects pursuant to VA Code § 56-585.1:9 and for revision of rate adjustment clause: Rider RBB for the Rate Year Commencing Dec. 1, 2022
PUR-2022-00063	Firefly Energy LLC and Appalachian Power Company - Application for Certificates of Public Convenience and Necessity for Solar Generating and Associated Facilities in Pittsylvania County, Virginia
PUR-2022-00064	Virginia Electric and Power Company - To revise its fuel factor
PUR-2022-00065	Virginia Electric and Power Company - For approval of a rate adjustment rider T-1
PUR-2022-00066	Appalachian Natural Gas Distribution Company - Application for Approval to Implement SAVE Rates for Each Customer Class for Year 4 of its SAVE Plan
PUR-2022-00067	Kentucky Utilities Company d/b/a Old Dominion Power Company - Annual Informational Filing
PUR-2022-00068	Virginia Electric and Power Company, Dominion Privatization Holdings, Inc. and Dominion Privatization Virginia, LLC - For approval to enter into affiliate agreements and for authority to transfer utility assets
PUR-2022-00069	Massanutten Public Service Corporation - Application For an Annual Informational Filing for 2021
PUR-2022-00070	Virginia Electric and Power Company - For authority to suspend a rate adjustment clause, designated Rider RGGI, under VA Code § 56-585.1 A 5 e, and for alternate recovery mechanism of certain compliance costs
PUR-2022-00071	Appalachian Natural Gas Distribution Company - 2021 AIF
PUR-2022-00072	Rappahannock Electric Company - Application for Approval of RESP V50 Loan Package
PUR-2022-00073	Ex Parte: In the matter considering utility distributed energy resource interconnection-related issues and questions
PUR-2022-00074	RPA Energy, Inc. d/b/a Green Choice Energy - Competitive Service Provider Application
PUR-2022-00075	Virginia Electric and Power Company - For an exception to the PJM GATS Business Rules for the Scott Solar Facility and BESS-3
PUR-2022-00078	Mecklenburg Electric Cooperative - Application for Approval of Loan
PUR-2022-00079	Mecklenburg Electric Cooperative - Application for authority to Guarantee Long Term debt of EMPOWER Broadband, Inc.
PUR-2022-00080	Mecklenburg Electric Cooperative - Application for authority to Guarantee Long Term debt of EMPOWER Telecom, Inc.
PUR-2022-00081	Rappahannock Electric Cooperative - For extension of the Peak Time Rebate Pilot Program
PUR-2022-00082	ACN Communication Services, LLC - Application for a CPCN to Provide Facilities-Based Competitive Local Exchange Services & Interchange Service in the Commonwealth of Virginia
PUR-2022-00083	Virginia Telecommunications Industry - Application of the North American Numbering Plan Administrator
PUR-2022-00084	GSPP Holdco V, LLC - Shared Solar Program Licensing Non-Exempt Subscriber Organization Application
PUR-2022-00085	Atmos Energy Corporation - For approval of a 2022 SAVE Rider Projected Factor and True-Up Factor
PUR-2022-00086	Roanoke Gas Company - Application for approval to implement a 2022 SAVE Projected Factor Rate and True-Up Factor Rate
PUR-2022-00088	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider B, Biomass Conversions of the Altavista, Hopewell and Southampton Power Stations for the Rate Years commencing April 1, 2023, and April 1, 2024

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PUR-2022-00089	Virginia Electric and Power Company - For revision of a rate adjustment clause: Rider U, new underground distribution facilities, for the Rate Year Commencing April 1, 2023
PUR-2022-00090	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider W, Warren County Power Station, For the Rate Years Commencing April 1, 2023, and April 1, 2024
PUR-2022-00091	Roanoke Gas Company & City of Roanoke Redevelopment & Housing Authority - Joint Petition for Approval of a Transfer of Public Utility Assets Pursuant to Chapter 5 of Title 56 of the Code of Virginia
PUR-2022-00092	Atlantic Broadband Enterprises, LLC - Application for Cancellation & Reissuance of Cert of p-c-n to provide Competitive Local Exchange & Interexchange Telecommunication Services to Reflect Company Name Change to Cogeso US Enterprise, LLC d/b/a Breezeline
PUR-2022-00093	Prince George Electric Cooperative - Application for Authority to Issue Securities and \$250.00 check for filing fee
PUR-2022-00094	Amazon Energy LLC - Petition for Waiver of the Regulations Governing Accelerated Renewable Energy Buyers, 20 VAC 5-319-10 et seq.
PUR-2022-00095	Single Source Integrated Services, Inc. - Request to Cancel the Certificates of CPCN
PUR-2022-00096	Virginia Electric and Power Company d/b/a Dominion Energy Virginia and Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2022-00097	Scotland Riverview Water Supply, Inc & Life Essentials Inc. - Joint Application for Transfer of a Public Utility Furnishing Water and Amending a Certificate of Public Convenience and Necessity
PUR-2022-00098	Fusion Connect Inc., Fusion Cloud Services, LLC, Fusion Connect LLC, & North Haven Entities - Joint Application for Consent to a Transaction that will result in a Material Change to Ownership & Control of Fusion Connect LLC & Fusion Cloud Services, LLC
PUR-2022-00099	Bright Power, Inc. d/b/a Bright Coastal - Virginia Energy Broker Licensing Application
PUR-2022-00100	Virginia Electric and Power Company d/b/a Dominion Energy Virginia and Central Virginia Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2022-00101	Virginia Electric and Power Company - Application for an update of the 100 percent renewable energy tariff, designated Rider TRG, pursuant to VA Code § 56-577 A 5 and 56-234
PUR-2022-00102	Virginia Electric and Power Company & Old Dominion Electric Cooperative - Joint Petition for Authority to Transfer Utility Assets Pursuant at to the Utility Transfers Act, VA Code § 56-88 <i>et seq.</i>
PUR-2022-00103	Air Voice Wireless, LLC d/b/a AirTalk Wireless for Designation as an Eligible Telecommunications Carrier
PUR-2022-00104	Global Connection Inc. of America d/b/a STANDUP Wireless - Application for Designation as an Eligible Telecommunications Carrier
PUR-2022-00105	Virginia Electric and Power Company and Dominion Energy, Inc., and Dominion Energy Services, Inc. - For approval to enter into a Bill of Sale Agreement
PUR-2022-00106	Fiber BidCo LLC, FiberLight of Virginia, LLC, Thermo Acquisitions, Inc. and FiberLight, LLC - Joint Petition for approval of the transfer of control of FiberLight of Virginia, LLC
PUR-2022-00107	Establishing rules governing designation of a commercial mobile & cellular telephone service provider as an eligible telecommunications carrier for purposes of providing Lifeline services
PUR-2022-00108	Virginia Electric and Power Company d/b/a Dominion Energy Virginia and Central Virginia Electric Cooperative - For revision of service Territory boundary lines under the Utility Facilities Act
PUR-2022-00109	Tenebris Fiber, LLC - Application to cancel Competitive Local Exchange Carrier (CLEC) Certificate
PUR-2022-00110	Q LINK WIRELESS, LLC - Application for Designation as an Eligible Telecommunications Carrier
PUR-2022-00111	Harbor Link Virginia, LLC - Application for authority to provide competitive local exchanges and interexchange service in Virginia
PUR-2022-00112	Central Virginia Electric Cooperative - Application for Approval pursuant to Title 56, Chapter 56, Chapter 3 of the Code of Virginia and \$250 check for filing fee
PUR-2022-00113	Aqua Virginia, Inc. - For Water and Wastewater Infrastructure Charge
PUR-2022-00114	Soft Lights Foundation - Petition to Rescind Authorization to Install LED Streetlights
PUR-2022-00115	Virginia Natural Gas, Inc. - For approval of 2022 SAVE Rider Update
PUR-2022-00116	Virginia Natural Gas, Inc. - For limited waiver of tariff provisions and for expedited consideration
PUR-2022-00118	Aqua Virginia, Inc. - 2022 AIF
PUR-2022-00119	Comcast Business Communications of Virginia, LLC - Application for approval to relinquish its certificate of public convenience & necessity to provide local exchange telecommunications services
PUR-2022-00120	Virginia Electric and Power Company - For approval of rate adjustment clause designated Rider US-3
PUR-2022-00121	Virginia Electric and Power Company - For approval of rate adjustment clause designated Rider US-4
PUR-2022-00123	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Line #183 Partial Rebuild Project
PUR-2022-00124	Virginia Electric and Power Company d/b/a Dominion Energy - For approval of its 2022 RPS Development Plan under 56-585.5 D 4 of the Code of Virginia and related requests
PUR-2022-00125	Roanoke Gas Company - Application for approval of a certificate of public convenience and necessity to construct, own, and operate a digester gas conditioning system and for a rate adjustment clause designated Rider RNG and related tariff provisions
PUR-2022-00126	Columbia Gas of Virginia, Inc. - For approval implement a 2023 SAVE Plan Rider in accordance with § 20 of its General Terms and Conditions
PUR-2022-00127	TruConnect Communications, Inc. - Application for Designation as an Eligible Telecommunications Carrier
PUR-2022-00129	Telrite Corporation d/b/a Life Wireless - Application for Designation as an Eligible Telecommunications Carrier
PUR-2022-00130	Virginia Electric and Power Company - For Authority to Amend a Credit Facility

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PUR-2022-00131	Boomerang Wireless, LLC d/b/a enTouch Wireless - Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia
PUR-2022-00132	Cox Virginia Telecom, L.L.C - Application to revise designated eligible telecommunications carrier service area
PUR-2022-00133	Lumos Telephone LLC and Lumos of Botetourt LLC - Application for a request for a Waiver of Rule 20VAC5-428-80
PUR-2022-00134	Verizon Virginia LLC, f/k/a Verizon Virginia Inc. and Barr Tell URA, Inc.- Interconnection Agreement under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2022-00135	Verizon South Inc., f/k/a GET South Incorporated and Barr Tell USA, Inc. -Interconnection Agreement under § 252E of the Telecommunications Act of 1996 (the Act)
PUR-2022-00136	UGE VA Holdings LLC - Application for a License as a Non-Exempt Subscriber Organization in the Shared Solar Program
PUR-2022-00137	Virginia Electric and Power Company and Dominion Energy South Carolina, Inc. - Application for Approval to Enter into an Inventory Purchase and Sale Agreement under Chapter 4, Title 56 of the Code of Virginia.
PUR-2022-00138	Central Telephone Company of Virginia d/b/a CenturyLink; United Telephone Southeast LLC d/b/a CenturyLink and Barr Tell USA, Inc. - Interconnection Agreement to provide telecommunications service in Virginia
PUR-2022-00139	Appalachian Power Company - For Fuel Factor
PUR-2022-00140	Virginia Electric and Power Company - For revision of Rate Adjustment Clause, Designated Rider GT, under VA Code § 56-585.1 A 6
PUR-2022-00141	Southside Electric Cooperative - For approval of utility financing
PUR-2022-00142	Appalachian Power Company and American Electric Power Service Corporation - Application for approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia.
PUR-2022-00143	Southwestern Virginia Gas Company - Application For Authority to Incur Long-Term Debt
PUR-2022-00144	Greenbacker VA Shared Solar, LLC - For licensure as a subscriber organization
PUR-2022-00145	Virginia Electric and Power Company and Dominion Voltage, Inc. - For approval to enter into a Software License and Services Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2022-00146	Appalachian Power Company - For approval of Rate Adjustment Clause
PUR-2022-00147	Virginia Electric and Power Company - 2022 Update to its Integrated Resource Plan pursuant to Va. Code § 56-597 <i>et seq.</i>
PUR-2022-00148	BARC Electric Cooperative - Petition for Authority to Issue Debt
PUR-2022-00149	Community Electric Cooperative - Application for Authority to Guaranty Long-Term indebtedness of an Affiliate Entity Pursuant to the Provisions of Chapter 3 and Chapter 4 of Title 56 of the Code of Virginia
PUR-2022-00150	Appalachian Power Company - For RAC for costs related to the Dresden Generating Facility
PUR-2022-00151	Virginia-American Water Company & E.L. Goddard, Inc. - Petition for authority to transfer utility assets pursuant to Chapter 5 of Title 56 of the Code of Virginia
PUR-2022-00154	Keydet Solar Center, LLC - Application for certificates of PCN for a solar generating facility totaling up to 145 MWac and associated interconnection facilities to be located in Charles City County, Virginia
PUR-2022-00155	Virginia Electric and Power Company and Dominion Energy Services, Inc. - For approval of a revised support services agreement under Chapter 4 of Title 56 of the Code of Virginia
PUR-2022-00156	Virginia Electric and Power Company - Dominion Energy Nuclear Connecticut, Inc., Dominion Products and Services, Inc. and Dominion Energy Technical Solutions, Inc. - For approval of a revised affiliate support services agreements and future exemptions
PUR-2022-00157	Mecklenburg Electric Cooperative - Application for Authority to Incur Short-Term indebtedness Pursuant to Title 56, Chapter 3 of Title 56 of the Code of Virginia
PUR-2022-00158	Washington Gas Light Company - Application for authority to borrow funds on a short-term basis from its affiliate WGL Holdings, Inc.
PUR-2022-00159	Virginia Electric and Power Company and Dominion Energy Services, Inc. - For approval to enter into a Bill of Sale Agreement pursuant to Chapter 4, Title 56 of the Code of Virginia
PUR-2022-00160	Rappahannock Electric Cooperative - For streamlined General Rate Proceeding
PUR-2022-00161	Washington Gas Light Company - Application for approval of the SAVE Rider of Calendar Year 2023
PUR-2022-00162	Virginia Electric and Power Company - For revision of a rate adjustment clause designated Rider SNA under VA Code § 56-585.1 A 6
PUR-2022-00163	Appalachian Power Company - Reusens-Roanoke 138-kV Rebuild (PJM No. s-2469)
PUR-2022-00164	Virginia Electric and Power Company - For revision of adjustment clause: Rider US-2, Scott, Whitehouse, and Woodland Solar Power Stations, for the rate years Commencing Sept. 1, 2023, to Sept. 1, 2024
PUR-2022-00165	Virginia Electric and Power Company d/b/a Dominion Energy & Shenandoah Valley Electric Cooperative - For revision of service territory boundary lies under the Utility Facilities Act
PUR-2022-00166	Appalachian Power Company - Filing for consideration of the appropriate framework for cost recovery, the allocation of costs net of benefits pursuant to Code §. 56-585.5 F and class and jurisdictional cost allocation
PUR-2022-00167	Virginia Electric and Power Company - For approval and certification of electric transmission facilities:500-230 kV Unity Switching Station,230 kV Tunstall-Unity Lines #2259 and #2262,230-36.5 kV Tunstall, Evans Creek, Raines Substations and 230 kV, <i>et al.</i>
PUR-2022-00168	Prince George Electric Cooperative and PGEC Enterprises, LLC - For approval of an affiliate arrangement
PUR-2022-00169	EarthGrid PBC Corporation - Application for Certificates of Public Convenience and Necessity to Provide Local Exchange and Interexchange Telecommunications Services in the Commonwealth of Virginia
PUR-2022-00170	Kentucky Utilities Company d/b/a Old Dominion Power Company - Verified Application for Approval of 2023 Services Agreement and Cost Allocation Manual.

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PUR-2022-00171	Intrado Corporation and Guardian US Holdco LLC - Joint Petition for Authority to Transfer Indirect Control of Intrado Safety Communications of Virginia, Inc.
PUR-2022-00172	Summit Ridge Energy, LLC - Application for a License as a Non-exempt Subscriber Organization in the Shared Solar Program.
PUR-2022-00173	Washington Gas Light Company - Application for Authority to Receive Cash Capital Contributions from an Affiliate Pursuant to § 56-76 <i>et seq.</i> of the Code of Virginia
PUR-2022-00174	Virginia Natural Gas, Inc. and AGL Services Company - Notification of Virginia Natural Gas, Inc. to the Commission of intent to engage Georgia Power Company to assist AGL Services Company in the provision of certain administrative, management, <i>et al.</i>
PUR-2022-00175	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Butler Farm to Clover 230 kV Line, Butler Farm to Finneywood 230 kV Line
PUR-2022-00176	Spectrotel, Inc.; Spectrotel of Virginia, LLC & Spectrotel Ultimate Holdings LLC - Joint Petition for Approval of the Transfer of Indirect Control of a Telecommunications Public Utility Pursuant to Va. Code § 56-88 <i>et seq.</i>
PUR-2022-00177	Appalachian Natural Gas Distribution Company - Petition for a Temporary Waiver of Tariff Provisions (WNA) and Request for Expedited Consideration
PUR-2022-00178	Washington Gas Light Company - Application for Authority to issue long-term debt Securities and short-term debt pursuant to § 56-55 <i>et seq.</i> of the Code of Virginia
PUR-2022-00179	Chester Solar Technology Park, LLC - For certificates of PCN for solar generating facility and associated interconnection facilities
PUR-2022-00180	In Re: Federal Grant Opportunities under the Infrastructure Investment and Jobs Act
PUR-2022-00181	Virginia Electric and Power Company & Solar Affiliates - Application for approval to enter into an Inventory Purchase & Sale Agreement pursuant to Title 56, Chapter 4 of the Code of Virginia
PUR-2022-00182	Virginia-American Water Company - Motion to Delay Filing and for Partial Waiver of Filing Requirements.
PUR-2022-00183	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: 500-230 kV Wishing Star Substation, 500 kV and 230 kV Mars-Wishing Star Lines, 500-230 KV Mars Substation and Mars 230 kV loop
PUR-2022-00184	Infiniti Energy, LLC - Application for Licensure as a Subscriber Organization.
PUR-2022-00185	ACN Communication Services Virginia, L.L.C. - Petition for approval to discontinue the Certificate of Public Convenience and Necessity
PUR-2022-00186	Columbia Gas of Virginia, Inc. - Application for authority to issue long-term debt and to participate in an intrasystem Money Pool arrangement with an affiliate.
PUR-2022-00187	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider OSW, Coastal Virginia Offshore Wind Commercial Project, for the Rate Year commencing September 1, 2023.
PUR-2022-00188	Virginia Electric and Power Company and Dominion Energy, Inc. - Application for approval of authority to modify and continue an Inter-Company Credit Agreement under Chapters 3 and 4, Title 56 of the Code of Virginia
PUR-2022-00189	Virginia Electric and Power Company and Virginia Power Services, LLC - Application for approval of an amendment to revised affiliate agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2022-00190	Atmos Energy Corporation - Application for authority to incur short-term indebtedness pursuant to Title 56, Chapter 3 of the Virginia Code.
PUR-2022-00191	Standard Solar, Inc. - Application for a license as a Non-Exempt Subscriber Organization in the Shared Solar Program
PUR-2022-00193	Motorola Solutions Connectivity of Virginia, Inc. - Application for Name Change
PUR-2022-00194	Virginia Electric and Power Company d/b/a Dominion Energy and Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines
PUR-2022-00195	Washington Gas Light Company - Application for Tariff Revisions to General Service Provision No. 14 of Virginia Tariff Va. S.C.C. No. 9
PUR-2022-00196	Southwestern Virginia Gas Company - For General Rate Increase
PUR-2022-00197	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: 23- kV Altair Loop and Altair Switching Station
PUR-2022-00198	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Cirrus - Keyser 230 kV Loop and Related Projects
PUR-2022-00199	Option One Energy, LLC - Application to Conduct Business as a Competitive Service Provider in the Commonwealth of Virginia
PUR-2022-00200	Lumos Telephone, LLC and Dish Wireless L.L.C. - Network Interconnection Agreement.
PUR-2022-00201	Fusion Communications, LLC - Application to Cancel Certificate of Public Convenience and Necessity.
PUR-2022-00202	Virginia Electric and Power Company - For revision of rate adjustment clause, designated Rider PPA, under VA Code § 56-585.1.A 5, for the Rate Year commencing September 1, 2023
PUR-2022-00203	Massanutten CII, Corix Infrastructure (US) Inc. (Corix US), IIF Subway Investment LP (IIF Subway), SW Merger Acquisition Corp. (SWMAC), and Southwest Water Company (Southwest) - For approval of the proposed transfer of Massanutten
PUR-2022-00204	Colchester Utilities, Inc., Corix Infrastructure, Inc., Corix Infrastructure (US) Inc., IIF Subway Investment LP, SW Merger Acquisition Corp., and Southwest Water Company - For approval of change in control
PUR-2022-00205	Roanoke Gas Company - For an Expedited Rate Increase
PUR-2022-00206	Mecklenburg Electric Cooperative - Application for Authority to Incur Short-Term indebtedness Pursuant to Title 56, Chapter 3 of Title 56 of the Code of Virginia
PUR-2022-00207	Flash Wireless, Inc. - Notice of Corporate Reorganization

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PUR-2022-00208	Virginia Electric and Power Company - For revision of rate adjustment clause, Rider RPS, under VA Code § 56-585.1 A 5 D for rate year commencing September 1, 2023
PUR-2022-00209	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2022-00210	Virginia Electric and Power Company - for approval of its 2022 DSM Update pursuant to VA Code § 56-585.1 A 5
PUR-2022-00211	Ex Parte: Pilot program for municipal net energy metering
PUR-2022-00212	Appalachian Power Company - Application for approval to modify Rider WWS and Rider REC
PUR-2022-00213	Virginia Electric and Power Company and Dominion Privatization Virginia, LLC - For approval to enter into an Inventory Purchase and Sale Agreement under Chapter 4, Title 56 of the Code of Virginia
PUR-2022-00214	ForeFront Power, LLC - Application for a License as a Non-exempt Subscriber Organization in the Shared Solar Program
PUR-2022-00215	Shenandoah Valley Electric Cooperative - Petition for Approval to Transfer Utility Assets Pursuant to Chapter 5 of Title 56 of the Code of Virginia
PUR-2022-00216	Brightspeed of Virginia, LLC - Application for amended and reissued certificates of public convenience and necessity to reflect a company name change
PUR-2022-00217	Brightspeed of Appalachia, LLC - Application for amended and reissued certificates of public convenience and necessity to reflect a company name change
PUR-2022-00218	Verizon Virginia LLC - Petition Seeking Declaratory Judgment for the Payment/Reimbursement of Utility Relocation Costs Against Capital Beltway Express, LLC & The Lane Construction Corporation
PUR-2022-00219	Appalachian Power Company & AEP West Virginia Transmission Company, Inc. - Application for approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2022-00220	Brightspeed Broadband, LLC - Application for amended and reissued certificates of public convenience and necessity to reflect company name change
PUR-2022-00221	Atmos Energy Corporation - Application for an Order Authorizing the Implementation of a Universal Shelf Registration for Senior Debt Securities and Common Stock
<b>SEC</b>	<b>DIVISION OF SECURITIES AND RETAIL FRANCHISING</b>
SEC-2021-00017	M2 Advisors, Inc., R2 Advisors, P.C., and Mehdi Tabdiliazar - Alleged violation of VA Code §§ 13.1-502 (2), <i>et al.</i>
SEC-2021-00021	Eight USA, Inc. d/b/a Matcha Café Maiko - Alleged violation of VA Code §§ 13.1-560, <i>et al.</i>
SEC-2021-00026	yorCMO Franchising LLC - Alleged violation of VA Code §§ 13.1-560, <i>et al.</i>
SEC-2021-00034	BPD Wealth Management LLC - Alleged violation of VA Code § 13.1-503 C 1
SEC-2021-00035	KickHouse Fitness, LLC - Alleged violation of VA Code §§ 13.1-560, <i>et al.</i>
SEC-2021-00041	Aptus Financial, LLC - Alleged violation of VA Code § 13.1-504
SEC-2022-00002	Pernanans Capital, L.P- Alleged violation of VA Code §§ 13.1-504, <i>et al.</i>
SEC-2022-00004	BlockFi, Inc., BlockFi Lending, LLC and BlockFi Trading, LLC - Alleged violation of VA Code §§ 13.1-504, 13.1-507
SEC-2022-00007	Eagle Strategies, LLC - Alleged violation of VA Code § 13.1-504 C
SEC-2022-00008	Lowell D. Pratt, Jr. - Petition for Expungement of the CRD record of a non FINRA registered investment advisor
SEC-2022-00009	Mochinut, Inc.- Alleged violation of VA Code §§ 13.1-560, <i>et al.</i>
SEC-2022-00010	Skysim, LLC - Alleged violation of VA Code §§ 13.1-560, <i>et al.</i>
SEC-2022-00012	National Covenant Properties - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2022-00013	Grace Brethren Investment Foundation, Inc. - For order of exemption pursuant to VA Code §13.1-514.1 B
SEC-2022-00014	Columbia Union Revolving Fund - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2022-00015	Independent Financial Planning, LLC - Alleged violation of 21 VAC 5-80-146(B), <i>et al.</i>
SEC-2022-00016	Mission Investment Fund of the Evangelical Church in America - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2022-00017	The Solomon Foundation - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2022-00018	Church Extension Plan - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2022-00021	G.C. Franchising Systems, Inc. d/b/a The Growth Coach - Alleged violation of VA Code § 13.1-563.2; 21 VAC 5-110-40
SEC-2022-00022	The Money Advantage, LLC - Alleged violation of VA Code § 13.1-504
SEC-2022-00023	Board of Church Extension of Disciples of Christ, Inc. - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2022-00024	Michael Alan Florin Todd, Onpoint Financial Management, LLC and Onpoint Financial Retirement, LLC - Alleged violation of VA Code §§ 13.1-503 C and 13.1-504 A; 20 VAC 5-80-200 A & B 16.
SEC-2022-00028	Lutheran Church Extension Fund-Missouri Synod (LCEF) - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2022-00031	Jeffrey Bruce - Alleged violation of VA Code §§ 13.1-504 (C), <i>et al.</i>
<b>URS</b>	<b>UTILITY AND RAILROAD SAFETY</b>
URS-2019-00035	Lamberts Cable Splicing Company, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2019-00209	Virginia Cable Constructors, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00212	Commonwealth Plumbing, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00394	Edward Smith Paving LLC - Alleged violation of VA Code § 56-265.17 A
URS-2019-00418	Complete Underground LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>



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URS-2019-00467	S & H Plumbing LLC - Alleged violation of VA Code § 56-265.24 A
URS-2019-00481	Team Hospitality, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2019-00489	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2020-00027	Hercules Fence Company, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2020-00100	R C Hawkins Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2020-00105	Matt Seale and Matt Seale d/b/a CSC Enterprises - Alleged violation of VA Code § 56-265.24 A
URS-2020-00108	McGhee's Concrete, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2020-00196	Blanco's Masonry, Inc. - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2020-00275	JC&A Communications LLC - Alleged violation of VA Code § 56-265.24 A
URS-2020-00296	T&A Underground, Inc.- Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2020-00297	Team Campbell Construction, Excavation and Utilities, Inc. - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2020-00365	United States Infrastructure Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2020-00402	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2020-00433	Whatley Construction Co., Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2020-00436	Primoris T&D Services, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00003	William A. Hazel, Inc. - Alleged violation of VA Code §§ 56-265.24A, <i>et al.</i>
URS-2021-00005	Verizon Virginia LLC - Alleged violation of VA Code § 56-265.19 A
URS-2021-00007	Miller Pipeline, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00014	Lantero, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00019	WB&E Construction, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2021-00024	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00027	JDS Clave LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00032	Robinson's Plumbing Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00034	Port City Fence and Deck, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00049	Virginia Pipeworks, LLC - Alleged violation of VA Code § 56-265.17 B. 1
URS-2021-00054	Joe Phillips Fence LLC - Alleged violation of VA Code § 56-265.24 C
URS-2021-00057	Heritage Contracting Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00058	Garney Construction - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00068	Sagres Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00073	Cedar Lane Excavation, LLC d/b/a Cedar Lane LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00074	Bridgeman Civil, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00076	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00078	Utiliquet, LLC - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00079	Liquid, Inc. - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2021-00080	Integrity Electrical Contractors, Inc. - Alleged violation of VA Code § 67-265.17 A
URS-2021-00083	Distinctive Data Communications LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00084	LCS Site Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00085	Roto-Rooter Services Company - Alleged violation of VA Code § 56-265.17 A
URS-2021-00095	Coastal Developments, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00096	GDC Contractors, Inc. - Alleged violation of VA Code § 56-265.17 D
URS-2021-00104	Summit Woodrock Partners LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC5-309-140.4
URS-2021-00107	S & S Remodeling, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00110	ProBros Plumbing Services, LLC d/b/a Mr. Rooter of Richmond - Alleged violation of VA Code §56-265.24 A
URS-2021-00119	Jaramillo Masonry LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00123	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00124	Rickey Millen, individually and d/b/a Fence Masters - Alleged violation of VA Code § 56-265.17 B 1; 20 VAC 5-309-200
URS-2021-00127	Gaston Brothers Utilities, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00129	Tri-Cities Property Maintenance - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00131	Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00133	Stake Center Locating, Inc. - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00135	Cable Protection Services, Inc. - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00140	Faulconer Construction Company, Incorporated - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00143	Blair Brothers, Inc.- Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00147	Performance Plumbing, Inc.- Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2021-00155	Royal Foundations, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00159	Project & Construction Management Services, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00163	Linco Inc.- Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00167	Arthur Construction Co., Inc. - Alleged violation of VA Code §§ 56-265.17 B 1, <i>et al.</i>
URS-2021-00168	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code §§ 56-265.9 A, <i>et al.</i>
URS-2021-00170	Garcia's Cable Construction, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2021-00172	Branscome Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2021-00173	A. R. Bennett Construction, Inc. - Alleged violation of VA Code §§ 56-265.17 B.2, <i>et al.</i>
URS-2021-00175	G. L. Howard, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>

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URS-2021-00176	Hurricane Fence Co. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00177	JC Construction LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00178	JC Roman Construction Company, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00179	Linenfelter Contracting, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00180	M and W Construction Services LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00181	West Landscapes, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00182	Seabar Communications, Incorporated - Alleged violation of VA Code § 56-265.18
URS-2021-00185	Utiliquet, LLC - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00186	Proving Grounds, LLC - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2021-00187	The Fishel Company - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00188	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2021-00189	Moore's Plumbing & Septic LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00190	Infinite Telecom LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00191	KT Enterprises, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00192	Bailey's Enterprises Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2021-00193	Bright Construction Group, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00194	Burleigh Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 B. I
URS-2021-00195	C. D. Hall Construction, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2021-00196	C. P. G., Inc. - Alleged violation of VA Code § 56-265
URS-2021-00197	TMorgan Construction LLC - Alleged violation of VA Code § 56-265.24 B
URS-2021-00198	Smart Move Construction LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00199	Shelton-Virginia LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00200	E. E. Lyons Const. Co., Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00201	Miller Pipeline, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00202	Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00203	Benchmark Utility Services LLC - Alleged violation of VA Code §§ 56-265.17 C, <i>et al.</i>
URS-2021-00204	Cable Protection Services, Inc. - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00205	Verizon Virginia LLC - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00206	R C Hawkins Construction Co., Inc. - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2021-00207	Southeast Connections LLC - Alleged violation of VA Code § 56-265.19 A
URS-2021-00208	T & A Underground, Inc. - Alleged violation of VA Code §§ 56-265.24 AS, <i>et al.</i>
URS-2021-00209	Rick's Grading & Excavating Inc - Alleged violation of VA Code § 56-265.17 A
URS-2021-00210	Brothers Paving & Concrete Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2021-00211	Contracting Unlimited, Inc. - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2021-00212	Boring Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00213	Atlas Plumbing, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00214	Balzer and Associates, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00215	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00217	Lamberts Cable Splicing Company, LLC - Alleged violation of VA Code § 56-265.18
URS-2021-00219	Mendon Pipeline, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00220	Project & Construction Management Services, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00221	Possie B. Chenault, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00222	Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00223	Atmos Energy Corporation - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00224	Stake Center Locating, Inc. - Alleged violation of VA Code § 56-265.19 D
URS-2021-00225	Primoris T&D Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2021-00226	Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00228	Lakeside Concrete Enterprises, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00229	McAtee, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00230	Proving Grounds, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00231	Bridgeman Civil, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00232	Complete Underground LLC - Alleged violation of VA Code § 56-265.17 D
URS-2021-00233	Craig Plumbing Company Ltd. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00234	Daniels Innovation Concepts LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00235	Verizon Virginia LLC - Alleged violation of VA Code § 56-265.19 A
URS-2021-00236	Heath Consultants Incorporated - Alleged violation of VA Code § 56-265.19 A
URS-2021-00237	GeoEnv Engineers & Consultants, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00238	Millennium Construction LLC - Alleged violation of VA Code §§ 56-265.17 B 1, <i>et al.</i>
URS-2021-00240	Robert M. Martin Enterprises, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00241	Primoris T&D Services, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00242	Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2021-00243	Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2021-00244	Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00245	KS Communication, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00246	Utiliquet, LLC - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>

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URS-2021-00248	Mendon Pipeline, Inc.- Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00249	Shively Electrical Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00250	SitePro, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00251	Superior Plumbing, Heating & Air, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00252	Titan Erosion Control, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00253	J. B. Moore Electrical Contractor, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00255	J.P. Tucker Excavating, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2021-00256	Infrasource Construction, LLC - Alleged violation of VA Code § 56-265.17 B. 2
URS-2021-00257	Julio C. Aguilera, individually and d/b/a Julio Irrigation - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00258	Lamberts Cable Splicing Company, LLC -- Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00259	DWS LLC - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2021-00260	Lat Long Infrastructure, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00261	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00262	Northern Virginia Electric Cooperative - Alleged violation of VA Code § 56-265.19 A
URS-2021-00264	SKS Construction, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2021-00265	Burton & Robinson, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2021-00267	Roanoke Gas Company - Alleged violation of VA Code §§ 56-235.19 A, <i>et al.</i>
URS-2021-00268	Basinger Brothers Backhoe Service, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 A
URS-2021-00270	Blakemore Construction Corporation - Alleged violation of VA Code § 56-265.17 B. 1
URS-2021-00271	All Aspects Construction, LLC - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2021-00272	Benchmark Va LLC Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2021-00273	Stake Center Locating, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00274	Moseley Excavating Service Incorporated - Alleged violation of VA Code §§ 56-265.24 A (x2); 56-265.17 A; 20 VAC 5-309-140.4 (x2)
URS-2021-00275	Cable Protection Services, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00276	Tidewater Utility Construction, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140.4
URS-2021-00277	Taylor & Associates Construction Specialists, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00278	Sagres Construction Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2021-00279	Pirate Exterior Structures LLC - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2021-00280	Precision Foundation & Concrete LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00281	Norberto Bernal-Lopex individually and d/b/a NBL Concrete Work, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00282	EstateScapes, Inc. d/b/a New Leaf Landscaping and Lawn Care - Alleged violation of VA Code § 56-265.17 A
URS-2021-00284	LINK Plumbing and Home Improvement, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00285	Mar Development Corp. - Alleged violation of VA Code § 56-265.24 B; 20 VAC 5-309-200
URS-2021-00287	Virginia Electric and Power Company - Alleged violation of VA Code § 56-257
URS-2021-00288	Virginia Natural Gas, Inc. - Alleged violation of 49 C.F.R. §§ 192.199(e), <i>et al.</i>
URS-2021-00289	Washington Gas Light Company - Alleged violation of 49 C.F.R. §§ 192.199(e), <i>et al.</i>
URS-2021-00290	D N D Backhoe Service, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00292	Boring Contractors, Inc. - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2021-00293	Cable Protection Services, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00295	Electrical Techs Corporation - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2021-00296	M. K. Taylor Jr. Contractor, Inc.- Alleged violation of VA Code §§ 56-265.17 D, <i>et al.</i>
URS-2021-00297	Leslie Excavating & Landscaping, LLC - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2021-00298	LCS Site Services, LLC - Alleged violation of VA Code § 56-265.18
URS-2021-00299	Heath Consultants Incorporated - Alleged violation of VA Code § 56-265.19 A
URS-2021-00300	G. & H. Contracting, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00301	Gropen, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00303	Craig Robertson Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00305	E. C. Pace Company, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00307	Southern Trust Home Services, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00308	Southern Construction Utilities, Inc. - Alleged violation of VA Code §§ 56-265.24 C, <i>et al.</i>
URS-2021-00309	RC Services LLC - Alleged violation of VA Code § 56-265.17 B 1
URS-2021-00310	Quan Nguyen - Alleged violation of VA Code § 56-265.17 B 1
URS-2021-00311	HMI Utilities, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00312	Stake Center Locating, Inc. - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00313	Miller Pipeline, LLC - Alleged violation of VA Code §§ 56-265.24 B, <i>et al.</i>
URS-2021-00314	Complete Underground LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00315	Weeks Construction LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3); 20 VAC 5-309-200
URS-2021-00316	Atmos Energy Corporation - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00318	T&S Homebuilders, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00319	Scott's Backhoe Service, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00320	David Otero, Individually and d/b/a Otero Construction Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00322	Murray & Sons Electrical Inc. - Alleged violation of VA Code § 56-265.17 A

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URS-2021-00323	Lyle P. Strosnyder, Inc. - Alleged violation of VA Code § 56-265.17 C
URS-2021-00324	JP Concrete Services, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00325	Herrera Concrete - Alleged violation of VA Code § 56-265.17 A
URS-2021-00327	Huss Boring LLC - Alleged violation of VA Code §§ 56-265.17 A; 56-265.24 A
URS-2021-00328	GSID Construction LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00329	Guardado Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00330	Benchmark Utility Services LLC - Alleged violation of VA Code § 56-265.17 B 1
URS-2021-00331	Chantilly Concrete LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00333	A-1 Plumbing Companies, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2021-00334	The Blair Bros., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00336	Bridgeman Underground, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00337	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00338	Custom Stonescaping, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00339	Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2021-00340	Hercules Fence Company, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00342	Kent Excavating, Inc. - Alleged violation of VA Code § 56-265.24 D
URS-2021-00343	Decks on Deman - Alleged violation of VA Code § 56-265.17 A
URS-2021-00344	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2021-00345	KS Communication, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00346	Utiliquist, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2021-00347	Palmas Landscape LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00348	Premier Plumbing, L.L.C. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00349	Primoris T&D Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00352	Mastec North America, Inc. - Alleged violation of VA Code § 56-265.18
URS-2021-00354	National Turf, Inc. d/b/a National Turf Irrigation - Alleged violation of VA Code § 56-265.24 B
URS-2021-00355	Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00356	Tidewater Utility Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00357	Prince William Pipeline Corporation - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00358	New Technologies Construction Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00359	C. D. Hall Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00360	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00361	WB&E Construction, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2021-00362	Worley's Home Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00363	Yo! Joe Handyman Service LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00364	Virginia Beach Hardscapes - Alleged violation of VA Code § 56-265.17 B 1
URS-2021-00365	Snow Knows, Inc. d/b/a Snow's Garden Center - Alleged violation of VA Code § 56-265.17 A
URS-2021-00366	SLS Landscaping Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00367	Virginia Utility Protection Service - Alleged violation of 20 VAC 5-300-90 C 4, <i>et al.</i>
URS-2021-00368	Richard L. Dobson & Associates, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2021-00369	Talley Sign Company - Alleged violation of VA Code § 56-265.17 A
URS-2021-00371	Plumbright Plumbing, Inc - Alleged violation of VA Code § 56-265.24 B
URS-2021-00372	Miller Pipeline, LLC - Alleged violation of VA Code § 56-265.24 B
URS-2021-00373	Mears Group, Inc. - Alleged violation of VA Code § 56-265.24 B, 20 VAC 5-309-140 (4)
URS-2021-00375	East-Tenn Underground Services, LLC - Alleged violation of VA Code § 56-265.24 A, 20 VAC 5-309-150 (6)
URS-2021-00376	Branscome Inc. - Alleged violation of VA Code § 56-265.24 A, 20 VAC 5-309-140 (4)
URS-2021-00377	April Showers, Inc - Alleged violation of VA Code § 56-265.24 A
URS-2021-00378	Matt Smallwood, individually & d/b/a Appalachian Mountain Satellite - Alleged violation of VA Code § 56-265.17 A
URS-2021-00379	Cardinal Multi Services, LLC - Alleged violation of VA Code § 56-265.24 C
URS-2021-00380	Utility Service Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (6)
URS-2021-00381	Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00382	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00383	NOVA Irrigation, LLC - Alleged violation of VA Code § 56-265.24 A, 20 VAC 5-309-140 (4)
URS-2021-00384	Osmove Utilities Services, Inc. - Alleged violation of VA Code § 56-265.14 B 1, 20 VAC 5-309-200
URS-2021-00386	Millennium Pools and Spas LLC - Alleged violation of VA Code § 56-265.24 B, 20 VAC 5-309-200
URS-2021-00387	Roger Severa, individually and d/b/a M & R Construction - Alleged violation of VA Code § 56-265.17 A
URS-2021-00388	Main Street Landscape, Inc. - Alleged violation of VA Code § 56-265.17 A, 20 VAC 5-309-200
URS-2021-00389	Marumco Equipment Corporation - Alleged violation of VA Code § 56-265.18
URS-2021-00391	H & H Lawn and Landscape LLC - Alleged violation of VA Code § 56-265.17 A, 20 VAC 5-309-200
URS-2021-00392	H and W Construction Co., Inc. - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2021-00395	Christopher S Teague Individually and dba Greenridge Contractor Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2021-00396	Bridgeman Civil, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2021-00397	Boring Contractors, Inc. - Alleged violation of VA Code § 56-265.18, 20 VAC 5-309-180
URS-2021-00398	Aaron J. Conner, General Contractor, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>

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URS-2021-00399	Village Landscapes & Irrigation, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00400	Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2021-00401	United Foundations, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00402	Valley Landscaping, Inc - Alleged violation of VA Code § 56-265.18
URS-2021-00403	William A. Hazel, Inc - Alleged violation of VA Code § 56-265.24 A, 20 VAC 5-309-140 (4)
URS-2021-00404	Southeast Connections LLC - Alleged violation of VA Code § 56-265.24 A, 20 VAC 5-309-140 (4)
URS-2021-00405	Pierluigi Pacello - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2021-00406	RDS Utilities LC - Alleged violation of VA Code § 56-265.24 B
URS-2021-00408	Atmos Energy Corporation - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00409	LCS Site Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00410	New Technologies Construction Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2021-00411	Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00412	Wallys Remodeling, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00413	Newport Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00414	Mister Fence, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00415	Talley & Armstrong, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00417	JCW16 LLC, dba John C. Wood Construction - Alleged violation of VA Code § 56-265.17 A, 20 VAC 5-309-200
URS-2021-00418	KS Communication, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00419	J.N.C Services LLC - Alleged violation of VA Code § 56-265.24 A
URS-2021-00420	Jethro Byrd Electrical & Plumbing Contractor, Inc. - Alleged violation of VA Code § 56-265.24 A, 20 VAC 5-309-140 (4)
URS-2021-00421	Inlet Construction INC. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00422	Hall Mechanical & Associates, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00423	House Converters, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00424	Finley Asphalt & Sealing, Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2021-00425	DCI/Shires, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2021-00426	Denali General Contractors, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00427	Cable Protection Services, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00428	Bridgeman Underground, Inc. - Alleged violation of VA Code § 56-265.24 A, 20 VAC 5-309-140 (4)
URS-2021-00429	Brian's Maintenance, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2021-00430	BBX Corp - Alleged violation of VA Code § 56-265.18
URS-2021-00431	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2021-00432	A&K Remodeling Services d/b/a American Exteriors and Masonry - Alleged violation of VA Code § 56-265.17 A
URS-2021-00433	Amar Excavation Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2021-00434	Inner Harbor Logistics LLC d/b/a American Exteriors & Masonry - Alleged violation of VA Code § 56-265.24 A
URS-2021-00435	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00436	Stake Center Locating, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2021-00438	Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2021-00439	Rockingham Construction Company, Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2022-00001	Virginia Natural Gas, Inc. - Alleged violation of 49 C.F.R. §§ 192.199 (e), <i>et al.</i>
URS-2022-00002	Columbia Gas of Virginia, Inc. - Alleged violation of 49 C.F.R. §§ 192.199 (e), <i>et al.</i>
URS-2022-00003	Stemmler Plumbing Repair, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00006	Avellan Masonry LLC - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2022-00007	All In Septic Services, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00010	Osmore Utilities Services, Inc. - Alleged violation of VA Code § 56-265.18
URS-2022-00011	Creative Irrigation & Lighting Inc.- Alleged violation of VA Code § 56-265.17 A
URS-2022-00013	Culpeper Home Services Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00014	Davishar Plumbing - Alleged violation of VA Code § 56-265.17 A
URS-2022-00015	Forty-Two Contracting Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00016	Fredericksburg Deck Builders, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2022-00017	Jose Barrios, individually and d/b/a Joseph Masonry Inc. - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2022-00018	Landscape Elements LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00019	Coastal Waters Contracting & Roofing LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00020	Coggin Electrical Specialists, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00021	The Lewis Collier Companies LLC d/b/a Collier Companies - Alleged violation of VA Code §§ 56-265.24 C, <i>et al.</i>
URS-2022-00023	Hurricane Fence Co. - Alleged violation of VA Code §§ 56-265.24 C, <i>et al.</i>
URS-2022-00025	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2022-00026	Extreme Concrete & Construction Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00027	Proving Grounds, LLC - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2022-00028	WCC Cable, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00031	Chesapeake Fence & Awning Co., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2022-00033	Innovative Construction Concepts, Inc. - Alleged violation of VA Code § 56-265.24 A

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URS-2022-00034	Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00035	Peters and White Construction Company - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00036	Primoris T&D Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2022-00038	Southeast Connections LLC - Alleged violation of VA Code § 56-265.24 A
URS-2022-00040	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2022-00041	Superior Plumbing, Heating & Air, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00042	Sagres Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00043	Miller Pipeline, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00044	Kesterson Plumbing and Heating Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2022-00045	Iron Horse Infrastructure LLC - Alleged violation of VA Code § 56-265.24 A
URS-2022-00046	East West Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00047	Cable Protection Services, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2022-00048	Bridgeman Underground, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00049	Andco, Inc. - Alleged violation of VA Code §§ 56-265.17A, <i>et al.</i>
URS-2022-00050	Utiliquist, LLC - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2022-00051	Bridgeman Civil, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00052	Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2022-00053	Columbia Gas of Virginia, Inc. - Alleged violation of 49 C.F.R. §§ 192.199(e), <i>et al.</i>
URS-2022-00054	Washington Gas Light Company - Alleged violation of 49 C.F.R. §§ 192.199 (e), <i>et al.</i>
URS-2022-00056	Balzer and Associates, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00057	Delta Concrete Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00060	Golden Rule Construction LLC d/b/a Burlar Construction Group - Alleged violation of VA Code § 56-265.17 A
URS-2022-00061	B & D Excavating Inc. - Alleged violation of VA Code § 56-265.24 B; 20 VAC 5-309-170
URS-2022-00062	All Around Home Improvement and Landscaping LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00063	A & J Global Construction Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00064	Eco Pest Control, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00066	ShoffnerKalthoff MES, Inc d/b/a Comfort Systems USA - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2022-00068	SS Electrical Solutions LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00069	Taff and Frye Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00070	Southern Construction Utilities, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00071	SMC Concrete Construction Inc (Listed as SMCC) - Alleged violation of VA Code § 56-265.17 A
URS-2022-00073	Roe's Abode Installs LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00074	Virginia Electric and Power Company - Alleged violation of VA Code § 56-265.24 A
URS-2022-00075	Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2022-00076	Stake Center Locating, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2022-00077	Aaron J. Conner, General Contractor, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00080	Cleco Corporation - Alleged violation of VA Code §§ 56-265.24 C, <i>et al.</i>
URS-2022-00082	Village Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00083	Davis H. Elliot Construction Company, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2022-00084	Cardinal Natural Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2022-00085	Branscome Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00086	Peters and White Construction Company - Alleged violation of VA Code § 56-265.24 A
URS-2022-00087	Martin Contracting - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00088	Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2022-00090	Miller Pipeline, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2022-00092	Vanguard Mitigation and Restoration LLC - Alleged violation of VA Code § 56-265.24.A
URS-2022-00093	Southeast Connections LLC - Alleged violation of VA Code § 56-265.24 A
URS-2022-00094	Roes Landscaping - Alleged violation of VA Code §§ 56-265.17 A, <i>et al.</i>
URS-2022-00095	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2022-00096	W. E. Curling Pipeline, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00097	Sedulous Broadband LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00099	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2022-00100	A-1 Plumbing Companies, LLC - Alleged violation of VA Code § 56-265.90 B 3 e
URS-2022-00101	PMB Construction Company - Alleged violation of VA Code § 56-265.17 A
URS-2022-00102	New Technologies Construction Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2022-00105	Linco Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00106	Hercules Fence Company, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2022-00107	HMI Utilities, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2022-00108	Jose Garcia, individually and d/b/a Garcia Cable, Inc. - Alleged violation of VA Code § 56-265.17 C
URS-2022-00110	Glen Buckner Plumbing and General Contracting - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00111	Fiber Optic Construction, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00112	W.F. Lane Construction, INC.- Alleged violation of VA Code § 56-265.17 A
URS-2022-00113	Atmos Energy Corporation - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>

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URS-2022-00114	Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2022-00115	Utiliquet, LLC - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2022-00116	Columbia Gas of Virginia - Alleged violation of 49 C.F.R. §§ 192.199(e), <i>et al.</i>
URS-2022-00117	Washington Gas Light Company - Alleged violation of 49 C.F.R. §§ 192.199(e), <i>et al.</i>
URS-2022-00120	Eastern Gas Transmission and Storage, Inc. - Alleged violation of 49 C.F.R. §§ 192.199(e), <i>et al.</i>
URS-2022-00122	Washington Gas Light Company - Alleged violation of 49 C.F.R. §§ 192.199(e), <i>et al.</i>
URS-2022-00123	Washington Gas Light Company - Alleged violation of 49 C.F.R. §§ 192.199(e), <i>et al.</i>
URS-2022-00124	Roanoke Gas Company - Alleged violation of 49 C.F.R. §§ 192.199(e), <i>et al.</i>
URS-2022-00126	League Construction Company, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00127	Griggs Construction - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00128	Greenbrier Plumbing, Heating & Air Conditioning, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00129	Godsey & Son, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2022-00131	Clark Construction Group, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00132	Crown Construction Service, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2022-00133	Doncrete LLC - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2022-00134	C & K Construction, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00135	A Souky Plumbing Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00136	Benchmark Construction of Virginia, L.C. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2022-00137	Branscome Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2022-00138	Spark Tribble Electric, LLC d/b/a Tribble Electric - Alleged violation of VA Code § 56-265.24 B
URS-2022-00139	Swartley Bros., Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00141	Richard Crouch Plumbing & Heating - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00142	Possie B. Chenault, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2022-00143	New Technologies Construction Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2022-00144	Utiliquet, LLC - Alleged violation of VA Code § 56-265.19 A; 20 VAC 5-309-110 A
URS-2022-00145	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2022-00146	Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00148	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2022-00149	Vankirk Electric, Inc. - Alleged violation of VA Code § 56-276.17 A
URS-2022-00150	Samuel Cable LLC - Alleged violation of VA Code § 56-265.24 B
URS-2022-00151	Tavares Concrete Co., Inc. - Alleged violation of VA Code § 56-265.18
URS-2022-00153	M & F Concrete, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2022-00156	Pyramid Electrical Contractors, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00158	Randy Hostetter Excavating, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00159	Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2022-00160	F & S Building Innovations, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00162	Jarema Landscapes Ltd Liability Company - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00163	JES Construction, LLC - Alleged violation of VA Code § 56-265.24 A; 50 VAC 5-309-140 (4)
URS-2022-00164	A-1 Plumbing Companies LLC d/b/a A-1 Sewer & Drain - Alleged violation of VA Code § 56-265.17 A
URS-2022-00166	Buchanan Plumbing and Leak Detection, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00168	S&N Communications, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00170	Stake Center Locating, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2022-00173	Soul Farms, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00174	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00175	Beem Irrigation, Inc. d/b/a Montgomery Irrigation - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00177	EMATS, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00178	RH Works LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00179	Communications Unlimited Contracting Services, Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2022-00180	Chesapeake Fence & Awning Co., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2022-00181	Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2022-00182	Builder's Choice Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00183	A. R. Coffey & Sons, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00184	Good Neighbor Fence, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2022-00187	Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2022-00188	HMI Utilities, LLC - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2022-00189	Mackey Electrical Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00190	UDP, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2022-00191	Concrete VA.com, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00193	F&B Contractors, Ltd. - Alleged violation of VA Code § 56-265.24 A and 20 VAC 5-309-140 (4)
URS-2022-00195	Mastec North America, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2022-00197	Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2022-00202	Peters and White Construction Company - Alleged violation of VA Code §§ 56-265.24 A and 20 VAC 5-309-140 (4)

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URS-2022-00203	Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2022-00207	Titan Erosion Control, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00208	Linco Inc. - Alleged violation of VA Code § 56-265.24 A and 20 VAC 5-309-140 (4)
URS-2022-00209	Atlas Plumbing, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00210	Marlowe's We Care Company - Alleged violation of VA Code § 56-265.17 A
URS-2022-00211	C.J. Construction LLC - Alleged violation of VA Code § 56-265.24 C
URS-2022-00212	Stable Foundations, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2022-00220	LCS Site Services, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00222	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2022-00229	Simons Contracting Company, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2022-00230	Talley & Armstrong, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2022-00236	East West Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00237	Rock Hard Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00238	Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2022-00240	Osmoste Utilities Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2022-00246	LCS Site Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00248	A. G. Telecom, LLC - Alleged violation of VA Code § 56-265.24 C
URS-2022-00254	Appleton-Campbell, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2022-00258	Atlas Plumbing, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2022-00263	Varsity Landscaping & Grounds, L.L.C. - Alleged violation of VA Code § 56-265.24 A
URS-2022-00264	Horizon Construction Company - Alleged violation of VA Code § 56-265.24 B
URS-2022-00265	Lambert's Cable Splicing Company, LLC - Alleged violation of VA Code § 56-265.18
URS-2022-00266	UDP, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2022-00267	Woodfin Heating, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2022-00271	Peters and White Construction Company - Alleged violation of VA Code §§ 56-265.24 A, <i>et al.</i>
URS-2022-00275	JR Excavating LLC - Alleged violation of VA Code § 56-265.17 A
URS-2022-00287	Roanoke Gas Company - Alleged violation of VA Code §§ 56-265.19 A, <i>et al.</i>
URS-2022-00289	Concrete Dean and Co. - Alleged violation of VA Code § 56-265.17 A