

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, AUGUST 30, 2024

REGULATORY OFFICE
OF THE STATE CORPORATION COMMISSION

240809254

APPLICATION OF

COLUMBIA GAS OF VIRGINIA, INC.

2024 AUG 30 PM 12:39

CASE NO. PUR-2024-00103

For approval to implement a 2025 SAVE Rider
in accordance with Section 20 of its
General Terms and Conditions

ORDER FOR NOTICE AND COMMENT

On August 23, 2024, Columbia Gas of Virginia, Inc. ("CVA" or the "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission"), 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,¹ for approval to implement a SAVE Rider for calendar year 2025 ("2025 SAVE Rider"). Pursuant to Code § 56-604 E, the Commission must issue an order approving or denying the proposed 2025 SAVE Rider adjustment within 90 days of the filing of a complete application.

CVA represents that its SAVE Plan is a program designed to accelerate the replacement of certain components of its gas distribution system infrastructure to enhance system safety and reliability.² The Company states that the Commission approved the Company's Phase 5 SAVE Plan subject to Staff's recommendations.³ CVA represents that its 2025 SAVE Rider is billed as

¹ Code § 56-603 *et seq.*

² Application at 2.

³ *Id.* at 3.

a fixed charge each month and is designed to recover "eligible infrastructure replacement costs" as defined in Code § 56-603.⁴

CVA states that has separately filed for approval of a base rate case ("2024 Rate Case Application") in which the Company requested, and was granted, Commission authorization to implement its proposed base rates on an interim basis for service rendered on and after the first billing unit of October 2024.⁵ The Company represents that rates and charges proposed in the 2024 Rate Case Application will include recovery of costs associated with all SAVE in-service plant expenditures made through September 30, 2024, and excludes anticipated SAVE-related expenditures from October 1, 2024 through September 30, 2025.⁶ As a result, the Company represents that the SAVE Projected Factor will be set to zero concurrent with the implementation of interim base rates effective the first billing unit of October 2024.⁷

In this proceeding, CVA requests recovery of SAVE-related costs incurred after September 30, 2024, including SAVE-related investment; the SAVE-related construction work-in-progress balance at September 30, 2024; and any SAVE-related revenue requirement not recovered in base rates.⁸ CVA proposes the 2025 SAVE Rider to be effective the first billing unit of January 2025.⁹

⁴ *Id.* at 3.

⁵ *Id.* at 4. See *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*, Case No. PUR-2024-00030, Doc. Con. Cen. No. 240620036, Order for Notice and Hearing (June 10, 2024).

⁶ Application at 4.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

The Company further states that the proposed 2025 SAVE Rider comprises two components, a Projected Factor and a True-Up Factor.¹⁰ CVA states that it is requesting a True-Up Factor revenue requirement is \$2,077,775, and a Projected Factor revenue requirement is \$6,028,485, for a total 2025 SAVE Rider revenue requirement of \$8,106,261.¹¹ According to the Application, the 2025 SAVE Rider rate calculations are based on a \$73.7 million projected SAVE eligible capital program for 2025; projected 2025 costs associated with the Company's Advanced Leak Detection and Repair Program; and the true-up of the recovery of the actual SAVE cost of service for the calendar year 2023.¹² The Application notes that the Company used the same methodology as approved in Case No. PUR-2023-00119 to allocate the SAVE Plan cost of service to determine the projected rate applicable to each rate schedule.¹³ The Company states that the proposed 2025 SAVE Rider will reduce the annual bill for an average residential customer using 64.9 dekatherms per year by \$10.68, a 0.9% decrease, when compared to the rates in effect on June 29, 2024.¹⁴

Pursuant to Rule 20 VAC 5-205-10 E of the Commission's Rules Governing Utility Rate Applications and Annual Information Filings of Investor-Owned Gas Utilities,¹⁵ the Company requests a partial waiver to certain filing requirements contained in Rule 20 VAC 5-205-10 I.

¹⁰ *Id.* at 3.

¹¹ *Id.* at 5-6; *see also* Application at Schedule 46a.

¹² Direct Testimony of Company Witness Bryant K. Wong at 6 ("Wong Direct").

¹³ Wong Direct at 5. *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 2024 SAVE Rider in accordance with Section 20 of its General Terms and Conditions, Case No. PUR-2023-00119, 2023 S.C.C. Ann. Rept. 491, Order Granting Approval (Dec. 6, 2023).*

¹⁴ Application at 5.

¹⁵ 20 VAC 5-205-10 *et seq.*

Specifically, the Company seeks a waiver to the requirement in 20 VAC 5-205-10 I for applicants to provide the Clerk of the Commission with an original and 12 copies of its application ("Waiver Request").¹⁶ CVA asserts that nothing in its Application requires confidential treatment and therefore nothing in the Application will be hand delivered to the Clerk's Document Control Center.¹⁷

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

For purposes of making the Application complete and commencing this proceeding, we further find that CVA's Waiver Request should be granted.

To promote administrative efficiency and timely service of filings upon participants, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed as Case No. PUR-2024-00103.
- (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

¹⁶ Application at 7.

¹⁷ *Id.*

Procedure ("Rules of Practice").¹⁸ Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters and motions *pro hac vice* that arise during the course of this proceeding. A copy of each filing relating to discovery matters made with the Office of the Clerk in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹⁹

(5) On or before September 24, 2024, the Company shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

¹⁸ 5 VAC 5-20-10 *et seq.*

¹⁹ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

NOTICE TO THE PUBLIC OF AN APPLICATION BY
COLUMBIA GAS OF VIRGINIA, INC.
FOR APPROVAL TO IMPLEMENT A 2025 SAVE RIDER IN
ACCORDANCE WITH SECTION 20 OF ITS GENERAL
TERMS AND CONDITIONS
CASE NO. PUR-2024-00103

On August 23, 2024, Columbia Gas of Virginia, Inc. ("CVA" or the "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission"), 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, for approval to implement a SAVE Rider for calendar year 2025 ("2025 SAVE Rider"). Pursuant to Code § 56-604 E, the Commission must issue an order approving or denying the proposed 2025 SAVE Rider adjustment within 90 days of the filing of a complete application.

CVA represents that its SAVE Plan is a program designed to accelerate the replacement of certain components of its gas distribution system infrastructure to enhance system safety and reliability. The Company states that the Commission approved the Company's Phase 5 SAVE Plan subject to Staff's recommendations. CVA represents that its 2025 SAVE Rider is billed as a fixed charge each month and is designed to recover "eligible infrastructure replacement costs" as defined in Code § 56-603.

CVA states that has separately filed for approval of a base rate case ("2024 Rate Case Application") in which the Company requested, and was granted, Commission authorization to implement its proposed base rates on an interim basis for service rendered on and after the first billing unit of October 2024. The Company represents that rates and charges proposed in the 2024 Rate Case Application will include recovery of costs associated with all SAVE in-service plant expenditures made through September 30, 2024, and excludes anticipated SAVE-related expenditures from October 1, 2024 through September 30, 2025. As a result, the Company represents that the SAVE Projected Factor will be set to zero concurrent with the implementation of interim base rates effective the first billing unit of October 2024.

In this proceeding, CVA requests recovery of SAVE-related costs incurred after September 30, 2024, including SAVE-related investment; the SAVE-related construction work-in-progress balance at September 30, 2024; and any SAVE-related

revenue requirement not recovered in base rates. CVA proposes the 2025 SAVE Rider to be effective the first billing unit of January 2025.

The Company further states that the proposed 2025 SAVE Rider comprises two components, a Projected Factor and a True-Up Factor. CVA states that it is requesting a True-Up Factor revenue requirement is \$2,077,775, and a Projected Factor revenue requirement is \$6,028,485, for a total 2025 SAVE Rider revenue requirement of \$8,106,261. According to the Application, the 2025 SAVE Rider rate calculations are based on a \$73.7 million projected SAVE eligible capital program for 2025; projected 2025 costs associated with the Company's Advanced Leak Detection and Repair Program; and the true-up of the recovery of the actual SAVE cost of service for the calendar year 2023. The Application notes that the Company used the same methodology as approved in Case No. PUR-2023-00119 to allocate the SAVE Plan cost of service to determine the projected rate applicable to each rate schedule. The Company states that the proposed 2025 SAVE Rider will reduce the annual bill for an average residential customer using 64.9 dekatherms per year by \$10.68, a 0.9% decrease, when compared to the rates in effect on June 29, 2024.

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

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

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

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

An electronic copy of the Application may be viewed on the Commission's website or obtained, at no charge, by submitting a written request to counsel for the Company: T. Borden Ellis, Esquire, and Victoria L. Howell, Esquire, Columbia Gas of Virginia, Inc., 1809 Coyote Drive, Chester, Virginia 23836, or tbellis@nisource.com; victoriahowell@nisource.com.

On or before October 15, 2024, any interested person may file comments on the Application by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All such comments shall refer to Case No. PUR-2024-00103.

On or before October 15, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00103. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before October 15, 2024, any interested person may request that the Commission convene a hearing in this matter by filing a request for hearing electronically via scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action

sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All filings shall refer to Case No. PUR-2024-00103.

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

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

COLUMBIA GAS OF VIRGINIA, INC.

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

(7) On or before October 15, 2024, CVA shall file proof of the service required by Ordering Paragraphs (5) and (6) with the Clerk of the Commission.

(8) On or before October 15, 2024, any interested person may submit comments on the Application by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00103.

(9) On or before October 15, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address above. Such notice of participation shall include the email addresses of such

parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00103.

(10) On or before October 15, 2024, any interested person or entity may file a request that the Commission convene a hearing on the Company's Application, with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address above. Such request for hearing shall include the email addresses of such parties or their counsel, if available. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All such filings shall refer to Case No. PUR-2024-00103.

(11) A copy of each request for hearing and notice of participation shall be sent to counsel for the Company: T. Borden Ellis, Esquire, and Victoria L. Howell, Esquire, Columbia Gas of Virginia, Inc., 1809 Coyote Drive, Chester, Virginia 23836, or tbellis@nisource.com; victoriahowell@nisource.com.

(12) Staff shall investigate the Application, and on or before October 15, 2024, shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations. A copy of the Staff Report shall be sent to counsel for the Company and any respondents.

(13) On or before October 22, 2024, CVA shall file with the Clerk of the Commission a response to any requests for hearing, comments filed by interested persons, or the Staff Report.

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

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

(16) CVA's Waiver Request is granted as set forth herein.

(17) This matter is continued.

²⁰ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number PUR-2024-00103 in the appropriate box.

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