

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, FEBRUARY 26, 2021

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PETITION OF

APPALACHIAN POWER COMPANY

CASE NO. PUR-2020-00259

For approval of a rate adjustment clause,
BC-RAC, pursuant to §§ 56-585.1 A 6 and
56-585.1:9 of the Code of Virginia

ORDER FOR NOTICE AND HEARING

On January 28, 2021, Appalachian Power Company ("APCo" or "Company"), pursuant to §§ 56-585.1 A 6 and 56-585.1:9 of the Code of Virginia ("Code") filed with the State Corporation Commission ("Commission") its petition ("Petition") for approval of a rate adjustment clause – the "BC-RAC" – to recover the incremental costs of broadband capacity ("BC") under the Company's broadband capacity pilot project in Grayson County, Virginia ("Grayson Broadband Project").¹

In its Petition, APCo seeks approval of its proposed BC-RAC to recover the incremental costs of providing broadband capacity, through the Grayson Broadband Project, to a nongovernmental Internet service provider in areas of Grayson County that currently are unserved by broadband.² The Company proposes to base its BC-RAC on a revenue requirement of approximately \$4.9 million during the rate year beginning December 1, 2021, and ending November 30, 2022.³ The proposed revenue requirement consists of a Forecast Revenue

¹ Petition at 1. Supporting testimony and other documents also were filed with the Petition.

² *Id.* at 1, 5. The Grayson Broadband Project was approved as a pilot under Code § 56-585.1:9. *See Petition of Appalachian Power Company, For approval of a broadband capacity pilot program pursuant to § 56-585.1:9 of the Code of Virginia*, Case No. PUR-2019-00145, Doc. Con. Cen. No. 200310148, Final Order (Mar. 5, 2020).

³ *Id.* at 1-2, 5.

Component of \$4.9 million plus a True-Up Revenue Component set at \$0.0.⁴ According to the Company, implementing the proposed BC-RAC will increase a residential customer's monthly bill, based on 1,000 kilowatt hours of usage per month, by \$0.54.⁵

APCo requests a waiver of Rules 20 VAC 5-204-60 ("Rule 60") and 20 VAC 5-204-90 ("Rule 90") of the Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities ("Rate Case Rules").⁶ The Rate Case Rules require APCo to provide "[k]ey documents supporting the projected and actual costs that the applicant seeks to recover through the rate adjustment clause, such as economic analyses, contracts, studies, investigations, results from requests for proposals, cost benefit analyses, or other items supporting the costs."⁷ According to APCo, the supporting documentation responsive to this request is voluminous and designated confidential by the Company.⁸ In support of its request for waiver, APCo states that the Commission recently granted similar requests in Case Nos. PUR-2020-00258 and PUR-2020-00251.⁹ In lieu of physical production, the Company states that it has made available electronic copies of these documents to the Staff of the Commission ("Staff") and will make them available to respondents via an electronic data room established for this proceeding.¹⁰

⁴ *Id.*

⁵ *Id.* at 7.

⁶ 20 VAC 5-204-5 *et seq.*

⁷ Rule 90, Schedule 46 instructions, § (b) (1) (iv).

⁸ Petition at 8, 9.

⁹ *Id.* at 9.

¹⁰ *Id.*

additional actions going forward, that could impact the procedures in this proceeding.¹²

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.

For clarification, we note that the proposed BC-RAC, if approved, would result in an increase to customer bills. We realize that the current COVID-19 public health crisis has caused devastating economic effects that impact all utility customers. We responded to this economic emergency by, among other actions, suspending for approximately six months customer disconnections from utility service and directing Virginia utilities to offer extended payment plans, without late fees for those who are current on such plans, to protect customers from service disconnections. 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-2020-00259.

¹² 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).

(2) All pleadings 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").¹³ 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. For the duration of the COVID-19 emergency, 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.¹⁴

(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 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, including ruling on the Company's Motion and filing a final report containing the Hearing Examiner's findings and recommendations.

¹³ 5 VAC 5-20-10 *et seq.*

¹⁴ 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 not be processed for an indefinite period of time due to the COVID-19 emergency.

(5) Due to the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, the Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Petition, as follows:

- (a) A hearing for the receipt of testimony from public witnesses on the Petition shall be convened telephonically at 10 a.m., on July 7, 2021, with no witness present in the Commission's courtroom.¹⁵
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before July 2, 2021, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m., on July 7, 2021, 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.

(6) A hearing shall be convened on July 8, 2021, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, or by electronic means to receive the testimony and evidence of the Company, any respondents, and the Staff. Further details on this hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

(7) An electronic copy of the Company's Petition may be obtained by submitting a written request to counsel for the Company, Noelle J. Coates, Esquire, American Electric Power

¹⁵ The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.

Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or njcoates@aep.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before March 19, 2021, the Company shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

NOTICE TO THE PUBLIC OF A PETITION BY
 APPALACHIAN POWER COMPANY,
 FOR APPROVAL OF A RATE ADJUSTMENT CLAUSE,
 BC-RAC, PURSUANT TO §§ 56-585.1 A 6 AND
 56-585.1:9 OF THE CODE OF VIRGINIA
CASE NO. PUR-2020-00259

- **Appalachian Power Company ("APCo") requests a total of \$4.9 million for its 2021 BC-RAC. According to APCo, this amount would increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately \$0.54.**
- **A Hearing Examiner appointed by the Commission will hear public witness testimony on the case on July 7, 2021, at 10 a.m., and testimony and evidence of the Company, Staff, and any respondents on July 8, 2021.**
- **Further information about this case is available on the SCC website at: scc.virginia.gov/pages/Case-Information.**

On January 28, 2021, Appalachian Power Company ("APCo" or "Company"), pursuant to §§ 56-585.1 A 6 and 56-585.1:9 of the Code of Virginia ("Code") filed with the State Corporation Commission ("Commission") its petition ("Petition") for approval of a rate adjustment clause – the "BC-RAC" – to recover the incremental costs of broadband capacity ("BC") under the Company's broadband capacity pilot project in Grayson County, Virginia ("Grayson Broadband Project").

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 APCo's Petition. On July 7, 2021, 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 July 2, 2021, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

On July 8, 2021, at 10 a.m., either in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, or by electronic means, a hearing will be convened to receive testimony and evidence from the Company, any respondents, and the Commission's Staff. Further details on this hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

Electronic copies of the Petition and other supporting documents, as well as the Commission's Order for Notice and Hearing, may be obtained by submitting a written request to counsel for the Company, Noelle J. Coates, Esquire, 3 James Center, American Electric Power Service Corporation, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or njcoates@aep.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before June 30, 2021, any interested person may file comments on the Petition either electronically by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments, or by filing such comments with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118,

(9) On or before March 19, 2021, 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 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 April 16, 2021, the Company shall file with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, or electronically at scc.virginia.gov/clk/efiling/, 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.

(11) On or before June 30, 2021, any interested person may file written comments on the Petition by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments or by filing such comments 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-2020-00259.

(12) On or before April 16, 2021, 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 or at the physical 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-2020-00259.

(13) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of the Petition and this Order for Notice unless these materials already have been provided to the respondent.

(14) On or before May 3, 2021, each respondent may file with the Clerk of the Commission, either electronically or at the physical address set forth above, 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, 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-2020-00259.

(15) The Staff shall investigate the Petition. On or before May 28, 2021, 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 to APCo and all respondents.

(16) On or before June 18, 2021, APCo shall file with the Clerk of the Commission: (a) 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; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Company shall simultaneously serve a copy of the testimony and exhibits on the Staff and all respondents.

(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, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(18) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories 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, 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.¹⁶ Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(19) The Company's request for waiver of the requirements of 20 VAC 5-204-60 and 20 VAC 5-204-90 is granted as set forth in this Order for Notice and Hearing.

(20) This matter is continued.

¹⁶ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search Cases," and entering the case number, PUR-2020-00259, in the appropriate box.

A COPY hereof shall be sent electronically by the Clerk of the Commission to:
 Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center,
 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, njcoates@aep.com; James R.
 Bacha, Esquire, American Electric Power Service Corporation, 1 Riverside Plaza, Columbus,
 Ohio 43215, jrbacha@aep.com; James G. Ritter, Esquire, Hunton Andrews Kurth, 951 East Byrd
 Street, Richmond, Virginia 23219, ritterj@huntonak.com; and C. Meade Browder, Jr., Senior
 Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 202
 N. 9th Street, 8th Floor, Richmond, Virginia 23219, MBrowder@oag.state.va.us.