

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 20, 2024

SEC - CLERK OF THE
COMMONWEALTH OF VIRGINIA

240930127

PETITION OF

2024 SEP 20 A 11:33

APPALACHIAN POWER COMPANY

CASE NO. PUR-2024-00129

For approval of a rate adjustment clause pursuant
to § 56-585.1 A 5 b of the Code of Virginia

ORDER FOR NOTICE AND HEARING

On August 23, 2024, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") pursuant to § 56-585.1 A 5 b of the Code of Virginia ("Code") for approval of a rate adjustment clause ("DR-RAC") to recover costs related to the Company's peak shaving riders (Rider D.R.S.-RTO Capacity and Rider D.R.S.).¹ Specifically, APCo requests that the Commission authorize the collection of a Virginia jurisdictional revenue requirement of \$1,424,691.² APCo requests that the Commission authorize the revised DR-RAC to go into effect on June 1, 2025, and be collected over a 12-month period through May 31, 2026.³ APCo represents that the Company's proposed rates would increase the monthly bill for a residential customer using 1,000 kilowatt hours by \$0.13.⁴ Pursuant to Code § 56-585.1, the Commission must issue a final order regarding the Petition within eight months of filing.

APCo's requested Virginia jurisdictional revenue requirement of \$1,424,691 comprises:

(i) \$753,752 of uncollected balances associated with the Company's DR-RAC as of

¹ Petition at 1, 4, 6.

² *Id.* at 3.

³ *Id.* at 4, 6.

⁴ *Id.* at 4.

July 31, 2024; and (ii) \$670,939 of projected costs associated with the customer that is currently on Rider D.R.S.-RTO Capacity from August 1, 2024, through May 31, 2025.⁵

APCo requests the Commission's approval to defer for future recovery the costs associated with the Company's Rider D.R.S.-RTO Capacity and Rider D.R.S.⁶ In support of its request, APCo states that Code §§ 56-585.1 A 5 b and 56-585.1 A 7 authorize the deferral of prudently incurred costs of peak-shaving (demand response) programs, and the Company asserts that the Commission has granted similar requests to defer costs associated with demand response riders.⁷

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; APCo should provide public notice of its Petition; a hearing should be scheduled for the purpose of receiving testimony from public witnesses and evidence on the Petition; interested persons should have an opportunity to file comments on the Petition or participate as a respondent in this proceeding; and the Staff of the Commission ("Staff") should be directed to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon. Finally, we find this matter should be assigned to 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.

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

⁵ *Id.* at 3-4.

⁶ *Id.* at 4-6.

⁷ *Id.* at 4-5.

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-2024-00129.

(2) 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").⁸ Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and 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.

(4) As provided by Code § 12.1-31 and 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 filing a final report containing the Hearing Examiner's findings and recommendations. A copy of each filing made with the

⁸ 5 VAC 5-20-10 *et seq.*

Commission's Clerk's office in this manner shall also be sent electronically to the Office of the Hearing Examiners.⁹

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

- (a) The portion of the hearing for the receipt of testimony from public witnesses on the Petition shall be convened telephonically at 10 a.m. on January 29, 2025.
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before January 22, 2025, 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 January 29, 2025, the Hearing Examiner appointed to the case will telephone sequentially each person who has signed up to testify, if any, as provided above.
- (e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

(6) The evidentiary portion of the hearing shall be convened at 10 a.m., on January 29, 2025, or at the conclusion of the public witness portion of the hearing, whichever is later, 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 Staff.

⁹ Such electronic copies shall be sent to: OHEparalegals@scc.virginia.gov.

(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 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 October 11, 2024, 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 A PETITION OF
APPALACHIAN POWER COMPANY
FOR APPROVAL OF A RATE ADJUSTMENT CLAUSE
PURSUANT TO § 56-585.1 A 5 b OF THE CODE OF VIRGINIA
CASE NO. PUR-2024-00129

On August 23, 2024, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") a petition ("Petition") pursuant to § 56-585.1 A 5 b of the Code of Virginia ("Code") for approval of a rate adjustment clause ("DR-RAC") to recover costs related to the Company's peak shaving riders (Rider D.R.S.-RTO Capacity and Rider D.R.S.). Specifically, APCo requests that the Commission authorize the collection of a Virginia jurisdictional revenue requirement of \$1,424,691. APCo requests that the Commission authorize the revised DR-RAC to go into effect on June 1, 2025, and be collected over a 12-month period through May 31, 2026. APCo represents that the Company's proposed rates would increase the monthly bill for a residential customer using 1,000 kilowatt hours by \$0.13. Pursuant to Code § 56-585.1, the Commission must issue a final order regarding the Petition within eight months of filing.

APCo's requested Virginia jurisdictional revenue requirement of \$1,424,691 comprises: (i) \$753,752 of uncollected balances associated with the Company's DR-RAC as of July 31, 2024; and (ii) \$670,939 of projected costs associated with the customer that is currently on Rider D.R.S.-RTO Capacity from August 1, 2024, through May 31, 2025.

APCo requests the Commission's approval to defer for future recovery the costs associated with the Company's Rider D.R.S.-RTO Capacity and Rider D.R.S. In support of its request, APCo states that Code §§ 56-585.1 A 5 b and 56-585.1 A 7 authorize the deferral of prudently incurred costs of peak-shaving (demand response) programs, and the Company asserts that the Commission has granted similar requests to defer costs associated with demand response riders.

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

The Commission entered an Order for Notice and Hearing that, among other things, scheduled a public hearing on APCo's Petition. On January 29, 2025, at 10 a.m., the Hearing Examiner assigned will hold the telephonic portion of the hearing for the purpose of receiving the testimony of public witnesses. On or before January 22, 2025, 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 January 29, 2025, at 10 a.m. or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, the Hearing Examiner will convene a hearing to receive testimony and evidence related to the Petition from the Company, any respondents, and the Commission's Staff.

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

Electronic copies of the Petition may be obtained 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, or njcoates@aep.com. Interested persons also may download unofficial copies of the Petition and other documents filed in this case from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before January 22, 2025, any interested person may submit comments on the Petition by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments 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-2024-00129.

On or before November 8, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent shall send 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 and Procedure ("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-2024-00129.

On or before November 20, 2024, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed above. Each witness's testimony shall include a summary not to exceed

one page. All testimony and exhibits shall be sent to 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-2024-00129.

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

APPALACHIAN POWER COMPANY

(9) The Company shall serve each official listed in 20 VAC 5-204-10 J 1 as provided by 20 VAC 5-204-10 J 2.

(10) On or before November 1, 2024, 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.

(11) On or before January 22, 2025, any interested person may file comments on the Petition by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to 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-2024-00129.

(12) On or before November 8, 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 in Ordering Paragraph (11). Such notice of participation shall include the email addresses of such parties or their counsel. The respondent shall send 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-2024-00129.

(13) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall send each respondent a copy of the Petition, unless these materials already have been provided to the respondent.

(14) On or before November 20, 2024, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed in Ordering Paragraph (11). Each witness's testimony shall include a summary not to exceed one page. A copy of all testimony and exhibits shall be sent to 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-2024-00129.

(15) On or before December 18, 2024, Staff shall investigate the Petition and file with the Clerk of the Commission its testimony and exhibits. Each Staff witness's testimony shall include a summary not to exceed one page. A copy thereof shall be sent to counsel for APCo and all respondents.

(16) On or before January 8, 2025, APCo 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 send a copy of the testimony and exhibits to Staff and all respondents.

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

(18) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories 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 Staff.¹⁰ 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.*

(19) This matter is continued.

A COPY hereof shall be sent 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.

¹⁰ 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-2024-00129, in the appropriate box.