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

ORDER FOR NOTICE AND HEARING

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 ("2021 Annual Update") for the Sadler Solar Facility, an approximately 100 megawatt ("MW") utility-scale solar photovoltaic generating facility located in Greensville County, Virginia ("US-4 Solar Project" or "Project").

On January 22, 2020, and April 13, 2020, respectively, the Commission approved Dominion's construction and operation of the US-4 Solar Project, and also approved a rate adjustment clause, designated Rider US-4, for the Company to recover the costs associated with the construction of the Project.1 The Commission's approval was subject to certain conditions and requirements, including a performance guarantee for the Project, which were accepted by the

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Company. On March 30, 2021, the Commission approved the first annual update to Rider US-4 and directed the Company to file its next Rider US-4 annual update on or after August 1, 2021.

According to the Application, the US-4 Solar Project is generally proceeding on schedule and on budget. The Company states that the Project was placed into commercial operations on July 6, 2021. The total forecasted cost for the US-4 Solar Project remains at $145.6 million (excluding financing costs), or $1,456 per kilowatt at the 100 MW (nominal AC) rating, with cost variances from the original estimates, both upward and downward and within specific cost categories and subcategories. The updated budget forecast included in the Application reflects actual capital expenditures through December 31, 2020, and projected capital expenditures through 2021 and 2022, with monthly projections of capital expenditures used to determine the revenue requirement for the 2021 Annual Update. The Company states that as part of this 2021 Annual Update, it is requesting that the Commission approve the updated expenditures for the US-4 Solar Project, subject to subsequent true-up, and find that such expenditures are reasonable and prudent.

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2 The Application states that because the Project has not yet been in service for a full calendar year, the 2021 Annual Update does not include any information related to performance or adjustments related to the performance guarantee required in the CPCN Order. Application at 4.


4 Application at 4.

5 Id.

6 Id.

7 Id. at 4-5.

8 Id. at 5.
In this proceeding, Dominion has asked the Commission to approve Rider US-4 for the rate year beginning June 1, 2022, and ending May 31, 2023 ("2022 Rate Year"). 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. The Company is requesting a Projected Cost Recovery Factor revenue requirement of $13,948,000 and an Actual Cost True-Up Factor revenue requirement of $1,525,000. Thus, the Company is requesting a total revenue requirement of $15,473,000 for service rendered during the 2022 Rate Year.

For purposes of calculating the revenue requirement in this case, Dominion utilized a rate of return on common equity of 9.2%, approved by the Commission in Case No. PUR-2019-00050. If the proposed Rider US-4 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 US-4 on June 1, 2022, would increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately $0.11.

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9 Id. at 6.

10 Id.

11 Id. at 7; Direct Testimony of Elizabeth B. Lecky ("Lecky Direct") at 9.

12 Application at 7; Lecky Direct at 9. Alternatively, Dominion requests a rate effective date for usage on the first day of the month that is at least 15 days following the date of any Commission order approving Rider US-4, if such date is later than June 1, 2022. Application at 8.

13 Application at 6. 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). Dominion states the Commission will set an ROE in its pending triennial review proceeding, Case No. PUR-2021-00058, and the Commission-approved ROE will be applicable for use in the Projected Cost Recovery Factor component of the revenue requirement ultimately approved as part of this proceeding. See Application at 6; 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 (Mar. 31, 2021).

14 Application at 7; Direct Testimony of Christopher C. Hewett ("Hewett Direct") at 6.
Company indicates it has calculated the proposed Rider US-4 rates in accordance with the same methodology as used for rates approved by the Commission in the most recent Rider US-4 proceeding, Case No. PUR-2020-00123.15

Dominion also requests a waiver, in part, of Rules 20 VAC 5-204-60 ("Rule 60") and 20 VAC 5-204-90 ("Rule 90") of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities, 20 VAC 5-204-5 et seq. ("Rate Case Rules") with respect to Schedule 46. Rule 60 states that an application for a rate adjustment clause filed pursuant to Chapter 23 of Title 56 of the Code shall include Schedule 46, which is entitled "Rate Adjustment Clauses and Prudency Determinations Pursuant to Chapter 23 (§ 56-576 et seq.) of the Code of Virginia."16 Schedule 46 requires an applicant to provide certain information, including key documents supporting the proposed costs. According to Dominion, some of the supporting documentation responsive to this requirement is voluminous and not easily reviewed in hard copy format such that the Company proposes to provide the documentation in electronic format only.17

Finally, in conjunction with the filing of its Application, the Company filed the Motion of Virginia Electric and Power Company for Entry of a Protective Ruling ("Motion for Protective Ruling") and a proposed protective ruling that establishes procedures governing the use of confidential information in this proceeding.


16 Application at 9.

17 Id.
NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; Dominion 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 and commencing this proceeding, we grant Dominion's request to waive in part the requirements under Rule 60 and Rule 90 of the Rate Case Rules with respect to the filing of certain Schedule 46 materials.

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.\(^\text{18}\)

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 Rider US-4, 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 is docketed and assigned Case No. PUR-2021-00119.

(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"). 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

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19 5 VAC 5-10-20 et seq.
shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.20

(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.

(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 February 14, 2022, with no public witness present in the Commission's courtroom.21

(b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.

(c) On or before February 10, 2022, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the

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20 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 public health issues.

21 The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.
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 February 14, 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.

(e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

(6) On February 15, 2022, 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.

(7) 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, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or eryl@mcguirewoods.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before September 22, 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
THE 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
CASE NO. PUR-2021-00119

- Virginia Electric and Power Company ("Dominion") has applied for approval to revise its rate adjustment clause, Rider US-4.

- In this case, Dominion has asked the State Corporation Commission ("Commission") to approve Rider US-4 for the rate year beginning June 1, 2022, and ending May 31, 2023 ("2022 Rate Year")

- For the 2022 Rate Year, Dominion requests a revenue requirement of $15,473,000, which would increase the bill of a typical residential customer using 1,000 kilowatt hours of electricity per month by $0.11.

- A Hearing Examiner appointed by the Commission will hold a telephonic hearing in this case on February 14, 2022, at 10 a.m., for the receipt of public witness testimony.

- An evidentiary hearing will be held on February 15, 2022, 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. Further details on this hearing will be provided by subsequent Commission Order or Hearing Examiner's Ruling.

- Further information about this case is available on the Commission website at: scc.virginia.gov/pages/Case-Information.

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designated Rider US-4, for the Company to recover the costs associated with the construction of the Project. The Commission's approval was subject to certain conditions and requirements, including a performance guarantee for the Project, which were accepted by the Company. On March 30, 2021, the Commission approved the first annual update to Rider US-4 and directed the Company to file its next Rider US-4 annual update on or after August 1, 2021.

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In this proceeding, Dominion has asked the Commission to approve Rider US-4 for the rate year beginning June 1, 2022, and ending May 31, 2023 ("2022 Rate Year"). 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. The Company is requesting a Projected Cost Recovery Factor revenue requirement of $13,948,000 and an Actual Cost True-Up Factor revenue requirement of $1,525,000. Thus, the Company is requesting a total revenue requirement of $15,473,000 for service rendered during the 2022 Rate Year.

For purposes of calculating the revenue requirement in this case, Dominion utilized a rate of return on common equity of 9.2%, approved by the Commission in Case No. PUR-2019-00050. If the proposed Rider US-4 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 US-4 on June 1, 2022, would increase the bill of a residential customer using 1,000 kilowatt hours per month by
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 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 Dominion's Application. On February 14, 2022, 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 February 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; (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 February 15, 2022, 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 Application may be obtained by submitting a written request to counsel for the Company, Elaine S. Ryan, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or eryan@mcguirewoods.com.

On or before February 14, 2022, any interested person may file comments on the Application electronically by following the instructions 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-2021-00119.

On or before December 15, 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. 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 Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the
(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 October 8, 2021, 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 State Corporation Commission by filing electronically at scc.virginia.gov/clk/efiling/.

(11) On or before February 14, 2022, any interested person may file written comments on the Application 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-2021-00119.

(12) On or before December 15, 2021, 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 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 Rule 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-2021-00119.

(13) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the Application on the respondent.
(14) On or before January 11, 2022, 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 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 Commission's Staff, the Company, and all other respondents simultaneous with its filing. In all filings, the respondent shall comply with the 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-2021-00119.

(15) On or before January 25, 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 February 1, 2022, Dominion 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.

(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.22 Except as modified above, discovery shall be in accordance with Part IV of the Rules of Practice, 5 VAC 5-20-240 et seq.

(19) The Company's request for waiver of the requirements of Rule 60 and Rule 90 of the Rate Case Rules with respect to the filing of certain Schedule 46 materials is granted as set forth in this Order.

(20) This matter is continued.

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.

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22 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-2021-00119, in the appropriate box.