

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 14, 2024

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APPLICATION OF

2024 MAY 14 A 8:30

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2024-00071

For approval of a rate adjustment clause pursuant
to § 56-585.1 A 4 of the Code of Virginia

ORDER FOR NOTICE AND HEARING

On May 1, 2024, 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. 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."

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."

The Company has been a member of PJM Interconnection, L.L.C. ("PJM"), a regional transmission entity that has been approved by FERC as a regional transmission

organization, since 2005.¹ 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.² The Company states that it also pays PJM charges for costs associated with demand response programs approved by FERC and administered by PJM.³

In this proceeding, Dominion seeks approval of a revenue requirement for the rate year September 1, 2024, through August 31, 2025 ("Rate Year").⁴ This revenue requirement, if approved, 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.⁵

The total proposed revenue requirement to be recovered over the Rate Year is \$1,169,592,808, comprising an increment Rider T1 of \$638,238,346, and forecast collections of \$531,354,462 through the transmission component of base rates.⁶ This total revenue requirement represents an increase of \$249,440,612, compared to the revenues projected to be produced during the Rate Year by the combination of the base

¹ Application at 4.

² *Id.*

³ *Id.* at 5.

⁴ *Id.* at 1.

⁵ *Id.* at 6.

⁶ *Id.* at 6-7; Direct Testimony of David M. Wilkinson at 2.

rate component of Subsection A 4 (the Company's former Rider T) and the Rider T1 rates currently in effect.⁷ Implementation of the proposed Rider T1 on September 1, 2024, would increase the total monthly bill of a typical residential customer using 1,000 kilowatt-hours per month by \$3.81.⁸

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; that the Company should provide public notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments on the Application or to participate in this proceeding as a respondent; and the Staff of the Commission ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations. Further, we find that a Hearing Examiner should be assigned 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.

We note that, if approved, the Company's Application will result in an increase in customer bills. The Commission notes its awareness of economic pressures that are impacting all utility customers. We are sensitive to the effects of rate increases; however, the Commission must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

⁷ Direct Testimony of David M. Wilkinson at 2-3.

⁸ Direct Testimony of C. Alan Givens at 10.

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

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2024-00071.

(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").⁹ 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 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, *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. A copy of each filing made

⁹ 5 VAC 5-20-10 *et. seq.*

with the Commission's Clerk's office in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹⁰

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

- (a) A portion of the hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on June 17, 2024.
- (b) To promote fairness for all public witnesses, each witness will be allotted a maximum of five minutes to provide testimony.
- (c) On or before June 11, 2024, 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 June 17, 2024, the assigned Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above.
- (e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

(6) The evidentiary portion of the hearing on the Application shall be convened at 10 a.m. on June 17, 2024, 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 testimony and evidence offered by the Company, any respondents, and the Staff.

¹⁰ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

(7) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: David J. DePippo, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, RS-2, Richmond, Virginia 23219, or david.j.depippo@dominionenergy.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before May 29, 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 Virginia service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
VIRGINIA ELECTRIC AND POWER COMPANY
D/B/A DOMINION ENERGY VIRGINIA
FOR APPROVAL OF A RATE ADJUSTMENT CLAUSE
PURSUANT TO § 56.585.1 A 4 OF THE CODE OF
VIRGINIA
CASE NO. PUR-2024-00071

On May 1, 2024, 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. 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."

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."

The Company has been a member of PJM Interconnection, L.L.C. ("PJM"), a regional transmission entity that has been approved by FERC as a regional transmission organization, since 2005. 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. The Company states that it also pays PJM charges for costs associated with demand response programs approved by FERC and administered by PJM.

In this proceeding, Dominion seeks approval of a revenue requirement for the rate year September 1, 2024, through August 31, 2025 ("Rate Year"). This revenue requirement, if approved, 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.

The total proposed revenue requirement to be recovered over the Rate Year is \$1,169,592,808, comprising an increment Rider T1 of \$638,238,346, and forecast collections of \$531,354,462 through the transmission component of base rates. This total revenue requirement represents an increase of \$249,440,612, 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. Implementation of the proposed Rider T1 on September 1, 2024 would increase the total monthly bill of a typical residential customer using 1,000 kilowatt-hours per month by \$3.81.

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 Hearing that, among other things, scheduled public hearings on the Company's Application. On June 17, 2024, at 10 a.m., a Hearing Examiner appointed by the Commission will hold a telephonic hearing for the purpose of receiving the testimony of public witnesses. On or before June 11, 2024, 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.

Beginning at 10 a.m., on June 17, 2024, the Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above.

On June 17, 2024 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, a Hearing Examiner appointed by the Commission will convene a hearing to receive testimony and evidence offered by the Company, any respondents, and the Commission 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.

An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: David J. DePippo, Esquire, Dominion Energy Services, Inc., 120 Tredegar Street, RS-2, Richmond, Virginia 23219, or david.j.depippo@dominionenergy.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before June 11, 2024, 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. 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-2024-00071.

On or before June 4, 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. 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 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-2024-00071.

On or before June 4, 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 served on the 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-2024-00071.

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 Company's Application, 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.

VIRGINIA ELECTRIC AND POWER COMPANY
D/B/A DOMINION ENERGY VIRGINIA

(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 June 11, 2024, the Company shall provide proof of the notice and service required by Ordering Paragraphs (8) and (9), including the name, title, and address of each official served, with the Clerk of the Commission at scc.virginia.gov/clk/efiling.

(11) On or before June 11, 2024, 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. 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-2024-00071.

(12) On or before June 4, 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, 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-2024-00071.

(13) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve upon the respondent a copy of this Order for Notice and Hearing and a copy of the Application, unless these materials have already been provided to the respondent.

(14) On or before June 4, 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. 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 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-2024-00071.

(15) On or before June 4, 2024, the Staff shall investigate the Application and shall file with the Clerk of the Commission its testimony and exhibits concerning the

Application. Each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to the Company and all respondents.

(16) On or before June 11, 2024, the Company shall file with the Clerk of the Commission any rebuttal testimony and exhibits 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 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.

(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 four (4) 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.¹¹

¹¹ 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-2024-00071, in the appropriate box.

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) 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.