

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, NOVEMBER 21, 2023

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APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2023-00195

For revision of rate adjustment clause: Rider OSW,
Coastal Virginia Offshore Wind Commercial Project,
for the Rate Year commencing September 1, 2024

ORDER FOR NOTICE AND HEARING

On November 1, 2023, pursuant to Code § 56-585.1 A 6, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an annual update with respect to the Company's Rider OSW for the Coastal Virginia Offshore Wind Commercial Project ("Application").¹ Through its Application, the Company seeks to inform the Commission of the status of the Coastal Virginia Offshore Wind Commercial Project ("Project") and to provide the proposed cost allocation, rate design, and accounting treatment for service rendered during the proposed rate year commencing September 1, 2024, and extending through August 31, 2025 ("Rate Year").²

According to the Application, the Project is proceeding on time and on budget, with certain minor modifications to the permitting schedule, though Dominion states those modifications are not expected to impact the planned in-service date of late 2026.³ The Company represents that the total Project cost forecast remains \$9.8 billion (excluding financing

¹ Application at 1. Pursuant to Code § 56-585.1 A 7, the Commission must issue a Final Order within nine months of the filing date.

² *Id.* at 4.

³ *Id.* at 5.

costs), including approximately \$1.4 billion of combined transmission costs.⁴ The Company requests that the Commission approve the updated expenditures for the Project, subject to subsequent true-ups, and find that such expenditures are reasonable and prudent in order to fulfill the Company's service obligations as a public electric utility.⁵

In this proceeding, the Company is requesting a total revenue requirement of \$485,933,455 for recovery in Rider OSW for the Rate Year.⁶ If the proposed Rider OSW revenue requirement for the 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 OSW on September 1, 2024, would increase the bill of a typical residential customer using 1,000 kilowatt hours per month by approximately \$3.89.⁷ The Company indicates it has calculated the proposed Rider OSW rates in accordance with the same methodology as used for rates approved by the Commission in the previous Rider OSW proceeding, Case No. PUR-2022-00187.⁸

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 ("Rate Case Rules")⁹ with

⁴ *Id.*

⁵ *Id.* at 6.

⁶ *Id.* at 9. Dominion indicates that in this proceeding it is utilizing an updated lead/lag study based primarily on calendar year 2021 data, with a revenue lag based on 2022 data, in its cash working capital calculations in its filing. The Company requests that any issues related to the updated lead/lag study be litigated in the pending Rider GV proceeding, Case No. PUR-2023-00094. *Id.*

⁷ *Id.* at 10.

⁸ See Direct Testimony of Company witness Christopher C. Hewett at 5.

⁹ 20 VAC 5-204-5 *et seq.*

respect to Schedule 46.¹⁰ 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, "Rate Adjustment Clauses and Prudency Determinations Pursuant to Chapter 23 (§ 56-576 *et. seq.*) of the Code of Virginia." Schedule 46 requires an applicant to provide certain information, including key documents supporting the projected and actual costs recovered through the rate adjustment clause, such as economic analyses, contracts, results from requests for proposals, and cost/benefit analyses.¹¹ According to Dominion, the supporting documentation responsive to this requirement is voluminous and not easily reviewed in hard copy (paper) format, and therefore the Company seeks waiver of the requirement to file 15 hard copies of the information.¹² Instead, the Company proposes to: (i) provide the Commission with one hard copy and three electronic copies on compact discs; and (ii) provide the documentation to Commission Staff ("Staff") and any future case participants in electronic format.¹³

Finally, in conjunction with the filing of its Application on November 1, 2023, the Company filed the Motion of Virginia Electric and Power Company for Entry of a Protective Order and Additional Protective Treatment ("Motion for Protective Ruling") and a proposed protective order that establishes procedures governing the use of confidential and extraordinarily sensitive information in this proceeding.

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; a

¹⁰ Application at 12.

¹¹ Rate Case Rule 90, Schedule 46 instructions, § (c) (1) (iii).

¹² Application at 12.

¹³ *Id.*

hearing should be scheduled for the purpose of receiving testimony from public witnesses and evidence on the Application; interested persons should have an opportunity to file comments on the Application or to participate as respondents in this proceeding; and Staff should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also appoint a Hearing Examiner 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.

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 and assigned Case No. PUR-2023-00195.
- (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").¹⁴ 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

¹⁴ 5 VAC 5-20-10 *et seq.*

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 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 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 and filing a final report. A copy of each filing made with the Commission's Clerk's office in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹⁵

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

- (a) A hearing for the receipt of testimony from public witnesses on the Company's Application shall be convened telephonically at 10 a.m. on May 8, 2024.
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before May 1, 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

¹⁵ Such electronic copies shall be sent to OHEParalegals@scc.virginia.gov.

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 May 8, 2024, the Hearing Examiner appointed to this case 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 May 8, 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 the testimony and evidence of the Company, any respondents, and Staff.

(7) An electronic copy of the public version of the Company's Application may be obtained by submitting a written request to counsel for the Company: Vishwa B. Link, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or vlink@mcguirewoods.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before January 5, 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 AN APPLICATION BY
VIRGINIA ELECTRIC AND POWER COMPANY
D/B/A DOMINION ENERGY VIRGINIA
FOR REVISION OF RATE ADJUSTMENT CLAUSE:
RIDER OSW, COASTAL VIRGINIA OFFSHORE WIND
COMMERCIAL PROJECT, FOR THE RATE YEAR
COMMENCING SEPTEMBER 1, 2024
CASE NO. PUR-2023-00195

- Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") has applied for approval to revise its rate adjustment clause, Rider Offshore Wind ("Rider OSW").
- In this case, Dominion has asked the State Corporation Commission ("Commission") to approve Rider OSW for the rate year beginning September 1, 2024, and ending August 31, 2025 ("Rate Year").
- For the Rate Year, Dominion requests a revenue requirement of \$485,933,455, which would increase the monthly bill of a typical residential customer using 1,000 kilowatt hours of electricity per month by \$3.89.
- A Hearing Examiner appointed by the Commission will hold a telephonic hearing in this case on May 8, 2024, at 10 a.m., for the receipt of public witness testimony.
- An evidentiary hearing will also be held on May 8, 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, to receive the testimony and evidence of Dominion, any respondents, and Commission Staff.
- Further information about this case is available on the SCC website at: scc.virginia.gov/pages/Case-Information.

On November 1, 2023, pursuant to Code § 56-585.1 A 6, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an annual update with respect to the Company's Rider OSW for the Coastal Virginia Offshore Wind Commercial

Project ("Application"). Through its Application, the Company seeks to inform the Commission of the status of the Coastal Virginia Offshore Wind Commercial Project ("Project") and to provide the proposed cost allocation, rate design, and accounting treatment for service rendered during the proposed rate year commencing September 1, 2024, and extending through August 31, 2025 ("Rate Year").

According to the Application, the Project is proceeding on time and on budget, with certain minor modifications to the permitting schedule, though Dominion states those modifications are not expected to impact the planned in-service date of late 2026. The Company represents that the total Project cost forecast remains \$9.8 billion (excluding financing costs), including approximately \$1.4 billion of combined transmission costs. The Company requests that the Commission approve the updated expenditures for the Project, subject to subsequent true-ups, and find that such expenditures are reasonable and prudent in order to fulfill the Company's service obligations as a public electric utility.

In this proceeding, the Company is requesting a total revenue requirement of \$485,933,455 for recovery in Rider OSW for the Rate Year. If the proposed Rider OSW revenue requirement for the 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 OSW on September 1, 2024, would increase the bill of a typical residential customer using 1,000 kilowatt hours per month by approximately \$3.89. The Company indicates it has calculated the proposed Rider OSW rates in accordance with the same methodology as used for rates approved by the Commission in the previous Rider OSW proceeding, Case No. PUR-2022-00187.

Interested persons are encouraged to review Dominion's Application and supporting documents in full for details about 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 entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled public

hearings on Dominion's Application. A hearing for the receipt of testimony from public witnesses on the Company's Application shall be convened telephonically at 10 a.m. on May 8, 2024. On or before May 1, 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 May 8, 2024, the Hearing Examiner will telephone sequentially each person who has signed up to testify as provided above.

On May 8, 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, the Hearing Examiner will convene a hearing to receive testimony and evidence related to the Application from 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 required electronic service on parties to this proceeding.

Electronic copies of the public version of the Application may be obtained by submitting a written request to counsel for the Company, Vishwa B. Link, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or vlink@mcguirewoods.com. Interested persons also may download unofficial copies of the public version of the Application and other documents filed in this case from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before May 1, 2024, any interested person may submit 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 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-2023-00195.

On or before February 2, 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 at the address listed above. 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 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-2023-00195. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Hearing.

On or before March 29, 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, respondents shall comply with the 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-2023-00195.

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 Rules of Practice.

The public version of the Company's Application, the Commission's Rules of Practice, the Commission's Order for Notice and Hearing, and other documents filed in the case may be viewed at: scc.virginia.gov/pages/Case-Information.

VIRGINIA ELECTRIC AND 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 January 26, 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 May 1, 2024, any interested person may submit 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 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-2023-00195.

(12) On or before February 2, 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. 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-2023-00195.

(13) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon the respondent a copy of the public version of the Application and supporting materials, unless these materials already have been provided to the respondent.

(14) On or before March 29, 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 served on the Staff, the Company, and all other respondents. In all filings, respondents shall comply with the 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-2023-00195.

(15) The Staff shall investigate the Application. On or before March 29, 2024, 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 the Company and all respondents.

(16) On or before April 17, 2024, 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.

(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 Ordering Paragraph (2), 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) business 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.¹⁶ 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) Dominion's requested waiver, in part, of Rule 60 and Rule 90 of the Commission's Rate Case Rules is granted.

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 by Case Information," and entering the case number, PUR-2023-00195, in the appropriate box.

(20) This matter is continued.

Commissioner James C. Dimitri participated in this matter.

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.